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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

SOUTHERN DIVISION

GREAT PACIFIC SECURITIES,

on behalf of itself and all others

similarly situated,

Plaintiff,

v.

BARCLAYS PLC,

BARCLAYS CAPITAL, INC., and

DOES 1-5, inclusive,

Defendants.

Case No.

SACV14-01210 DDP (SHx)

CLASS ACTION COMPLAINT

FOR:

(1) CONCEALMENT;

**(2) VIOLATION OF CAL. BUS.
& PROF. CODE § 17200;
and**

**(3) VIOLATION OF CAL. BUS.
& PROF. CODE § 17500**

JURY TRIAL DEMAND

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1 Plaintiff Great Pacific Securities, on behalf of itself and all others similarly
2 situated, makes the following allegations, except as to allegations pertaining to
3 Plaintiff, based on its investigation and the investigation of its counsel, including a
4 review of legal and regulatory filings, press releases, media reports about Barclays
5 PLC's and Barclays Capital, Inc., the allegations in the Complaint filed on June 25,
6 2014 against Barclays by the New York Attorney General, and other public
7 statements issued by the Company. Plaintiff believes that substantial additional
8 evidentiary support will exist for the allegations set forth herein after a reasonable
9 opportunity for discovery.

10 I. OVERVIEW

11 1. Plaintiff alleges a concealment claim against defendants Barclays
12 PLC and Barclays Capital, Inc. ("Barclays") on behalf of a Class of all persons and
13 entities who were clients of Barclays and whose trades were submitted for potential
14 execution in Barclay's Liquidity Cross ("LX") dark pool from January 1, 2011 to
15 the present and were harmed (the "Class"). Plaintiff also asserts claims under Cal.
16 Bus. & Prof. Code §§ 17200 and 17500 on behalf of all Class members who are
17 California persons (the "Sub-Class").

18 2. Barclays runs one of Wall Street's largest "dark pools," a private
19 trading venue where investors can trade stocks almost anonymously. Unlike
20 national exchanges, like the New York Stock Exchange or NASDAQ, investors
21 trading in a dark pool do not have to contemporaneously reveal their buy or sell
22 orders to other investors. Thus, they are less likely to be victimized by high
23 frequency traders who use their rapid access to information to trade ahead of an
24 anticipated stock purchase or sale and exploit pricing inefficiencies.

25 3. Dark pools have proliferated over the past three years, as modern
26 technology has changed the landscape of the securities markets. Billions of dollars
27 now change hands in thousandths of a second, or milliseconds, and speed has
28 become the "holy grail" on Wall Street.

1 4. In 2010, Barclays decided to dramatically expand its dark pool
2 business in a quest to boost profits. Beginning no later than 2011, and continuing to
3 the present, Barclays promoted its dark pool platform as a means to avoid high
4 frequency traders, providing safeguards to detect and deter “aggressive” traders and
5 ensure that clients of its platform received the best prices for their trades.
6 Unfortunately, Barclays’ dark pool – called **Barclays LX** – was not the safe haven
7 it was promoted and advertised to be. Rather, under the supposedly watchful eyes
8 of Barclays, high frequency traders were not only allowed to trade on Barclays LX,
9 but given unfair perks over other traders to encourage them. Indeed, contrary to
10 Barclay’s marketing materials, aggressive high frequency trading activity was
11 rampant in Barclays LX. While Barclays promoted and touted a proprietary system
12 designed to monitor and curtail aggressive trading called “Liquidity Profiling,” it
13 provided little protection to its client base.

14 5. In June 2014, New York Attorney General Eric T. Schneiderman
15 filed a Complaint against Barclays under the New York Martin Act. The NYAG
16 alleged that Barclays concealed material information to clients about the way its
17 dark pool was operated and did not have in place the safeguards it said it did to
18 protect against “predatory” high frequency traders. The NYAG also cited internal
19 documents and emails, as well as statements by Barclays’ former employees,
20 revealing that Barclays intentionally “**falsified marketing materials**” showing the
21 type of trading in its dark pool as part of a business strategy to dramatically increase
22 its market share. When asked whether other institutions were being probed, the
23 NYAG said, referring to Barclays: “I cannot comment on ongoing investigations.
24 The conduct here was so egregious and ongoing we felt we had to move on this.”

25 6. This conduct is substantially similar to that experienced by Plaintiff
26 and other clients of Barclays who submitted trades for execution by Barclays..
27 When one of Barclays’ clients submitted a trade for execution,, Barclays swept its
28 own LX dark pool with the requested trades, in addition to sweeping other trading

1 venues. The purpose of sweeping multiple trading venues, including both
 2 traditional exchanges and dark pools, was purportedly to try to obtain the most
 3 advantageous execution for the client. However, unbeknownst to Barclays' clients,
 4 when Barclays swept its LX dark pool with the information about the requested
 5 trades, large numbers of predatory traders were lurking. They were able to obtain
 6 information about the desired trades before the trades were executed, and then trade
 7 ahead of the Barclays client, either in the LX dark pool or on any other exchange or
 8 ATS. Thus, whenever a Barclays' client submitted a trade for execution through
 9 Barclays, and Barclays submitted the trade for potential execution in the Barclays
 10 LX dark pool, the client was harmed by the skimming of information by the
 11 predatory traders lurking in the LX dark pool, regardless of whether the Barclays'
 12 client's order ended up being executed in the LX dark pool, in another Alternative
 13 Trading System or "ATS," or on a traditional "lit" exchange.

14 7. Plaintiff and other Barclays' clients wanted to avoid trading in
 15 venues where proprietary or predatory traders existed. To convince Plaintiff and
 16 Class Members to allow their trades to be swept through the LX dark pool, Barclays
 17 concealed material information about the identity of predatory traders in LX, as
 18 well as the volume of trading in its LX dark pool being conducted by predatory
 19 traders. By this action, Plaintiff seeks to hold Barclays responsible for the losses it
 20 has suffered from such deceptive marketing practices.

21 II. JURISDICTION AND VENUE

22 8. The Court has subject-matter jurisdiction over this case pursuant to
 23 28 U.S.C. § 1332. Jurisdiction under § 1332(a) is proper because (a) complete
 24 diversity exists between Plaintiff and Defendants; and (b) the amount in controversy
 25 exceeds \$75,000, exclusive of interest and costs. Furthermore, jurisdiction under §
 26 1332(d) is proper because (a) the number of members of the Class or Sub-Class
 27 exceeds 100; (b) at least one member of the Class or Sub-Class is a citizen of a state
 28 different from any Defendant; (c) at least one member of the Class or the Sub-Class

1 is a citizen of a state, and one Defendant is a subject of a foreign state; and (d) the
2 amount in controversy exceeds \$5,000,000, exclusive of interest and costs.

3 9. Each Defendant has sufficient minimum contacts with California,
4 purposefully avails itself of benefits from California, and/or has property in
5 California, so as to render the exercise of jurisdiction over it by the California
6 courts consistent with traditional notions of fair play and substantial justice.
7 Barclays advertises and markets products and services—“from credit cards to
8 corporate banking”—to individuals, small and medium business, and corporations
9 and institutions in California.

10 10. Each Defendant conducts business in this District. Barclays has
11 investment bank offices in Los Angeles, Menlo Park, San Francisco, and Santa
12 Monica. Barclays’ investment banking services include financial advisory, capital
13 raising, financing and risk management to corporations, governments and financial
14 institutions. Barclays also has wealth management offices in Los Angeles and San
15 Francisco. Barclays’ wealth management services include wealth planning, trust
16 and fiduciary services, investment management, and brokerage services to clients.

17 III. THE PARTIES

18 A. Plaintiff

19 11. Plaintiff **Great Pacific Securities** is an institutional financial
20 services firm with its principal place of business in Costa Mesa, California.
21 Plaintiff is a Barclays’ client. Plaintiff is a citizen of California.

22 12. During the Class Period, Plaintiff was a Barclays’ client and
23 submitted trades to Barclays for execution. Plaintiff conducted business with
24 Barclays in reliance on omissions by Defendants and suffered damages. Plaintiff’s
25 trades were executed by Barclays on both the Barclays LX dark pool, on traditional
26 exchanges, and on other dark pools. During the Class Period, Plaintiff paid
27 Defendants a per-share commission for each trade executed by or through
28 Barclays.

1 13. Plaintiff has been harmed as a result of Defendants' wrongdoing.
2 Defendants acquired money from Plaintiff during the time that Defendants were
3 engaged in deceit, unfair competition, false advertising and violations of California
4 law, including but not limited to commissions paid to Barclays for trade execution.
5 Moreover, Plaintiff's customers submitted trades for execution by Plaintiff, and
6 based the amount of trades given to Plaintiff on Plaintiff's performance in executing
7 such trades. On information and belief, as a direct result of Defendants'
8 wrongdoing, Plaintiff's performance in executing such trades was inferior to that of
9 Plaintiff's competitors, and Plaintiff received less business from its customers.
10 Thus, Plaintiff suffered economic harm and damages as a result of Defendants'
11 wrongdoing.

12 **B. Defendants**

13 14. Defendant **Barclays PLC** is a British multinational banking and
14 financial services firm with its principal place of business in London, England.
15 Barclays PLC—directly and/or through its subsidiaries—dramatically increased the
16 market share of its dark pool by misleading clients about its operations and
17 treatment of high-frequency traders, including in this district, during the Class
18 Period. Barclays PLC is a subject of a foreign state.

19 15. Defendant **Barclays Capital, Inc.** ("BCI") is a securities brokerage
20 and financial advisory services firm incorporated under the laws of Connecticut,
21 and with its principal place of business in New York, New York. BCI is a
22 subsidiary of Barclays Group US, Inc., a Delaware corporation, which is a
23 subsidiary of Barclays PLC. BCI dramatically increased the market share of its
24 dark pool by misleading clients about its operations and treatment of high-
25 frequency traders, including in this district, during the Class Period. At all times
26 during the Class Period, its activities in the United States were under the control and
27 direction of its British parent. BCI is a citizen of Connecticut and New York.
28

1 16. Defendants Barclays PLC and BCI shall together be referred to
2 herein as “Barclays” or “Defendants.”

3 17. Various other individuals, partnerships, corporations, and other
4 business entities, unknown to the Plaintiff, have participated in the violations
5 alleged herein and have performed acts and made statements in furtherance thereof.
6 The true names and capacities, whether individual, corporate, associate, or
7 otherwise of Defendants Does 1 through 10, inclusive, are unknown to Plaintiff
8 who therefore sues said Defendants by such fictitious names. Plaintiff further
9 alleges that each of said fictitious Doe Defendants is also responsible for the acts
10 and occurrences hereinafter set forth. Plaintiff will amend this Complaint to show
11 their true names and capacities when the same are ascertained, as well as the
12 manner in which each fictitious Defendant is responsible for the damages sustained
13 by Plaintiff and other members of the Class and the Sub-Class.

14 IV. FACTUAL ALLEGATIONS

15 A. The Evolution of “Dark Pools”

16 18. Dark pools are electronic trading venues that, unlike national public
17 exchanges, don’t contemporaneously post investors’ buy and sell orders and only
18 report trades to the public after they take place. Dark pools are also known as
19 Alternative Trading Systems or “ATS.”

20 19. Dark pools were first established to avoid large block orders from
21 influencing financial markets and ensure privacy, and until recently, dark pool
22 activity constituted a mere three to five percent of all trading in the market.

23 20. In 2007, however, the SEC passed Regulation NMS (National
24 Market System), which allowed investors to bypass public exchanges to gain price
25 improvements. Investors took advantage of Regulation NMS and started to send
26 more trades to dark pools for execution. Thus, the volume of trades executed by the
27 dark pools significantly increased after 2007, and trading volume on the eleven
28 traditional public stock exchanges decreased.

1 21. Today, an estimated 14% of United States stock-market volume is
2 executed in dark pools. According to FINRA, the three largest dark pools in the
3 United States are run by large institutional banks, Credit Suisse, UBS AG, and
4 Barclays. According to estimates, the combined commissions for the three banks
5 alone, based on executed trades, was \$800 million in 2013. There are a number of
6 smaller dark pools that are either independently owned or controlled by consortia of
7 banks, but they typically represent a small percentage of daily trading volume of
8 stocks.

9 22. Ironically, while dark pools were designed to help give investors a
10 safe haven from rapid traders, many dark pools are now “stomping grounds” for
11 high-speed firms. In high frequency trading, investors use computers to buy and
12 sell stock at extremely quick speeds to take advantage of small, momentary changes
13 in stock prices. According to some reports, over 50% of all equity trading volume
14 is from high frequency traders. Because trading details in dark pools are typically
15 delayed, high frequency traders try to link their computers with those of the public
16 exchanges and dark pools and often pay for direct feeds of information that retail
17 investors cannot get. This allows them to identify large trades, often from
18 institutional investors, and then “trade ahead” of the purchase and exploit the
19 inefficiencies of price delays.

20 23. In his book, “Flash Boys,” released in 2014, Michael Lewis wrote
21 that bank-owned dark pools now often serve as a key intersection between high-
22 frequency traders and banks’ investor clients. The banks charge high-frequency
23 traders for the right to trade against orders placed by their brokerage customers.
24 “Why would anyone pay for access to the customers’ orders inside a Wall Street
25 bank’s dark pool?” Lewis wrote. “The straight answer was that a customer’s stock
26 market order, inside a dark pool, was fat and juicy prey.”
27
28

B. Barclays and The Expansion of Its LX Dark Pool

1 24. Barclays describes itself as a major global financial services
2 provider engaged in personal banking, credit cards, corporate and investment
3 banking, and wealth and investment management with an extensive international
4 presence in Europe, the Americas, Africa and Asia. Barclays operates in over 50
5 countries and, according to its website, “moves, lends, invests and protects money
6 for customers and clients worldwide.”

7 25. According to Barclays, its “business model” offers clients “a
8 rounded value proposition – a full range of products and services – and thereby, we
9 aim to achieve a smoother income stream and sustainable returns.” Its operations
10 include retail banks in the UK, Africa, and Europe, as well as investment banking
11 and wealth management services that it offers on a global basis, including in
12 California. With respect to such services, Barclays has declared its commitment to
13 working with regulators to reduce risk to both clients and the industry as a whole,
14 stating “Our international reach and scale means we have the responsibility, indeed
15 obligation following our designation as a Global Systemically Important Financial
16 Institution, to work together with our regulators to de-risk the industry and provide
17 a more sustainable banking landscape over the long term.”

18 26. By 2010, just prior to the start of the Class Period, Barclays had
19 become one of the largest banks in the world, with extensive operations in the
20 United States and in California specifically. However, internally, it was on a
21 desperate quest to boost revenues.

22 27. In 2010, executives at Barclays initiated a concerted plan to expand
23 its stock-trading business, and a core ingredient of the plan was to boost trading in
24 its dark pool ATS, known as Barclays LX, shorthand for “Liquidity Cross.”

25 28. Barclays asked Bill White to spearhead the effort. White had
26 worked on Wall Street for years and ran Barclays’ market-making unit on the floor
27 of the New York Stock Exchange.
28

1 29. In 2011, Barclays informed its employees to push more order flow
2 to the dark pool. According to the NYAG Complaint, Barclays told employees that
3 “[a]ggregating [order] flow into Barclays LX has strategic and economic value for
4 the entire Equities business,” allowing the bank to earn more fees and avoid paying
5 commissions for trades on other venues. According to the NYAG, internal
6 Barclays’ documents valued this growth opportunity at between \$37 and \$50
7 million per year. The project was so important to Barclays that employees
8 internally referred to the dark pool as “The Franchise.”

9 30. According to a former senior Director at Barclays cited by the
10 NYAG, “[a]t every sales meeting or product meeting, the main goal they were
11 talking about was to grow the size of [Barclays’ dark pool] to become the largest
12 pool. All the product team’s goals, which would also include their compensation[,]
13 were tied to making the pool bigger. [Barclays had] great incentive at all costs to
14 make the pool bigger.”

15 31. In 2012, White hired a trusted friend to help his efforts, Dave
16 Johnsen, to help run electronic trading at Barclays. Johnsen had previously served
17 as a senior executive at Goldman Sachs Group Inc.’s dark pool, but was reportedly
18 fired in 2012 by Goldman Sachs for “concerns relating to the performance of his
19 supervisory responsibilities,” including not completing certain reports on a timely
20 basis, according to FINRA’s BrokerCheck. In the BrokerCheck report, Johnsen
21 admitted that “the dates didn’t reflect the date I completed the reports.” After
22 joining Barclays, Johnsen worked closely with White, and soon was running the
23 day-to-day operations of Barclays LX while White worked on client relationships.

24 32. Barclays contacted existing brokerage clients and other investors, to
25 steer their business to its dark pool, and to convince them to allow their trades to be
26 submitted for potential execution in Barclays LX. Barclays used a full court press
27 of marketing materials representing that its dark pool provided a safe, transparent
28

1 trading environment, and helped protect its clients from the risks of aggressive high
2 frequency traders.

3 33. Part of the selling point of dark pools is that by keeping orders to
4 transact securities private, they are less likely to be prowled by speed traders
5 looking to beat investors who are slower to react to new information. Seeking to
6 reassure customers that their stock orders wouldn't be picked off by predatory
7 counterparties, Barclays's marketing materials touted its "Liquidity Profiling"
8 service by which it purportedly monitored and policed trading behavior in its dark
9 pool. As described below, these materials purported to show that very little of the
10 trading within its dark pool was "aggressive" and that operating there was safe for
11 its clients.

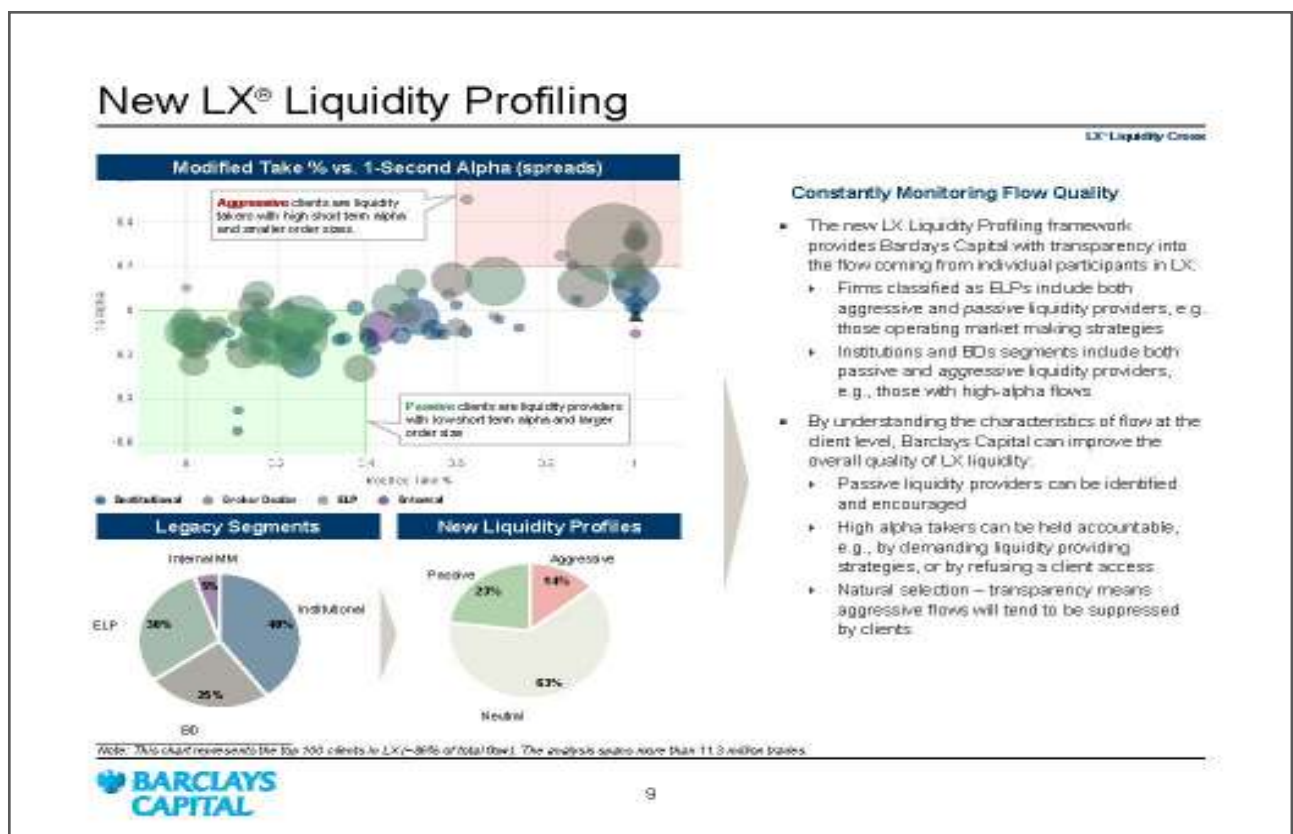
12 34. Barclays' executives made similar statements to the financial press.
13 For example, in "Finding the 'Right' Liquidity, published on March 14, 2013 on
14 marketsmedia.com, Barclay's White touted the Liquidity Profiling feature on its LX
15 dark pool to protect clients trading in the dark: "It's a sophisticated surveillance
16 framework that protects clients from predatory trading activity in LX, the second-
17 largest broker-dealer dark pool in the U.S. . . . By identifying aggressive behavior,
18 we can take corrective action with clients who exhibit opportunistic behavior in the
19 pool." Similarly, in "Dark Pools deliver price improvement and anonymity,
20 published on June 6, 2013 in Hedgeweek, White touted the firm's ability to identify
21 "low toxicity flow" in it pool and "to restrict HFTs [High Frequency Traders]
22 interacting with our clients."

23 35. Barclays' marketing efforts were hugely successful. Today,
24 Barclays LX is the second-largest dark pool in the United States, according to data
25 from FINRA. However, as alleged herein, Barclays achieved such success only by
26 concealing from its clients the actual operations of its dark pool, the true extent of
27 aggressive high frequency trading activity in the pool, and the level of protection
28 Barclays provided from such activity.

1 36. During the Class Period, Plaintiff Great Pacific Securities was
2 contacted by Barclays and provided with marketing materials describing the
3 Barclays LX pool. One of such documents, entitled, “Liquidity Products,” dated
4 February 2012, and attached hereto as Exhibit A, purported to show Plaintiff how it
5 would be protected from aggressive high frequency trading activity, and
6 underscored Barclays’ purported commitment to transparency. Barclays
7 represented that its LX dark pool provided “continued quantitative research on the
8 Liquidity Profiling initiative to protect customer order flow.” Specifically, “[t]he
9 objective of the new LX Liquidity Profiling framework is to increase fill rates and
10 improve performance for institutions trading in LX by targeting beneficial
11 counterparties.” With respect to the Electronic Liquidity Provider or “ELP”
12 segment – Barclay’s term for high frequency traders – Barclays reassured investors
13 that it was able to “proactively monitor” and distinguish between “aggressive”
14 clients and those who provided “beneficial liquidity” in order to “improve the
15 quality of flows into the pool.”

16 37. The marketing materials provided to Plaintiff also contained a number
17 of misleading, graphical charts. One chart contained a number of colored circles,
18 representing “the top 100 clients in LX.” The size of the circles on the chart
19 corresponded to the level of trading activity conducted in the dark pool by that firm,
20 with traders assigned colored circles based on their trading characteristics. Within
21 the chart are two color-coded, rectangle regions, a green region representing
22 “passive clients” with safe trading activity, and a red rectangle representing
23 “aggressive clients” with unsafe trading, leaving the clear message that very little
24 trading in the pool was “aggressive.”
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38. Another chart in the materials stated that only 14% of trading in the pool was by aggressive high frequency traders. Alongside both charts, Barclays reaffirmed its ability to “constantly monitor flow quality” with the “Liquidity Profiling” framework, providing “transparency” and “improving the overall quality” of LX. Specifically, Barclays touted its ability to hold aggressive traders “accountable” by “refusing a client access” and “suppress[ing]” “aggressive flows.” The chart is reproduced below:



39. Based on allegations in the NYAG Complaint, Barclays used virtually identical marketing materials with other clients during the Class Period, including a widely-disseminated document intended for institutional clients entitled, “Liquidity Profiling – Protecting You in the Dark.” Like the brochure provided to Plaintiff, that document included an analysis purporting to represent the “liquidity landscape” of Barclays’ dark pool, along with colored circles supposedly representing firms trading in Barclays’ dark pool and the level of their trading activity. The document also contained the same color-coded regions, a green rectangle representing

1 “passive” trading activity, and a red rectangle representing “aggressive” trading. As
2 with the materials provided to Plaintiff, Barclay’s chart represented that very little
3 of the trading in Barclays’ dark pool was “aggressive,” that most trading in the dark
4 pool was “passive,” and that most of the high frequency activity was “passive.”

5 40. These charts, substantially similar in their form and message, and
6 distributed throughout the Class Period to Class members, concealed the true nature
7 and extent of aggressive, high-frequency trading within Barclays’ dark pool.

8 41. Indeed, the NYAG Complaint cites several October 2012 emails
9 from Barclays employees regarding a decision to remove data from a version of this
10 chart used in marketing materials showing that a particularly large high-frequency
11 firm, Tradebot Systems Inc., participated in its dark pool. Specifically, on October
12 5, 2012, a draft version of the analysis was emailed to senior executives in
13 Barclays’ Equities Electronic Trading division, with a note that Barclays “de-
14 emphasized the number of ELPs [electronic liquidity providers, or high frequency
15 traders] by moving them to the back.” The email also stated that the chart
16 “remov[es] Tradebot,” which on information and belief was the largest participant
17 in Barclays’ dark pool. When one employee objected to the modified chart, stating
18 that removing Tradebot from the analysis was a falsification of the data, a Director
19 in the Equities division allegedly responded that “the point of the chart is not to
20 show what’s in the pool. The point is to market our capability . . . to monitor
21 individual participants in the pool.”

22 42. The issue did not die, however. According to the Wall Street
23 Journal article, “Barclays Pool Drew Fast-Trade Alarms,” dated July 21, 2014,
24 other employees continued to raise concerns. Further, as alleged by the NYAG, a
25 Vice President responsible for selling the dark pool to clients confirmed that the
26 chart was meant to show the actual traders, replying to the group that “[m]y point
27 when selling that picture was always: ‘here is a snapshot of the participants in
28 [Barclays’ dark pool] as an accurate view of our pool.’ I was never using it like an

1 ‘illustration’” of Barclays capability to monitor the pool. “I had always liked the
2 idea that we were being transparent, but happy to take liberties if we can all agree.”
3 According to the NYAG, Barclays’ Head of Product Development – the position
4 held by Dave Johnsen – agreed and responded, “I think the accuracy [of the chart]
5 is secondary to [the] objective” of showing clients that Barclays monitors the
6 trading in its dark pool, and “so if you want to move/kill certain bubbles, it doesn’t
7 really matter.” Barclays’ Head of Equities Sales responded, “Yes! U smart.”

8 43. According to the NYAG, in another email that same day, Barclays’
9 Head of Equities Sales noted in reference to the analysis that some in the industry
10 viewed Barclays’ dark pool as a “toxic landfill,” and so “[i]f we can help ourselves
11 we should[;] its in our control.”

12 44. The marketing materials also concealed information about the level
13 of aggressive trading activity occurring in Barclays’ dark pool. For example, in the
14 materials sent to Plaintiff in 2012, Barclays claimed that the trading in its dark pool
15 was “23% passive,” “63% neutral,” and just “14% aggressive. Similarly, in
16 marketing materials released in early 2013, Barclays claimed that the trading in its
17 dark pool was “48% passive,” “43% neutral,” and “9% aggressive.” In March
18 2014, Barclays said that trading in its dark pool was “36% passive,” “58% neutral,”
19 and just “6% aggressive.” These progressively improving figures concealed the
20 actual nature and extent of “aggressive” activity in Barclays’ dark pool. According
21 to the NYAG Complaint, in March 2014, Barclays admitted to a high frequency
22 trading firm that about 25% percent of the orders taking liquidity in its dark pool
23 were aggressive. In an internal document identified by the NYAG, the same firm
24 concluded, based on the data provided by Barclays, that the trading activity in
25 Barclays’ dark pool was “50% aggressive.”

26 45. In fact, according to the NYAG Complaint, Barclays has never
27 prohibited a single firm from participating in its dark pool, despite knowledge of
28

1 aggressive trading in its dark pool. For example, according to the NYAG, on
2 January 16, 2014, senior leaders in the Equities Electronic Trading division were
3 told of over a dozen major high frequency trading firms engaged in significant
4 trading activity in Barclays' dark pool, including one firm whose trades were
5 described as "historically . . . very toxic." Barclays did not deny them access to its
6 dark pool. This contradicts representations in materials provided to clients,
7 including Plaintiff, that Barclays will try to identify "aggressive" flows, hold such
8 traders "accountable," and "refuse a client access" to the dark pool if such
9 aggressive trading strategies are discovered.

10 46. Barclays also concealed from Plaintiff and the Class that it applied
11 "overrides" to a number of traders in the dark pool, improperly assigning them safe
12 Liquidity Profiling ratings, and further concealed that Liquidity Profiling did not
13 apply to a significant portion of the trading activity in Barclay's dark pool, such as
14 when client orders are routed to the dark pool via Barclays' proprietary algorithms.
15 As revealed in the NYAG investigation, Barclays was well aware of these Liquidity
16 Profiling issues, and in an internal document dated December 2013, admitted that
17 "Liquidity Profiling reviews may not be completed for all clients, may rely on
18 inaccurate information and results and rationale for profiling changes may not be
19 evidenced; leading to reputational damage as the service . . . may not function as
20 advertised to clients." The NYAG also cited interviews with high ranking
21 employees, including a former Barclays Director in the Equities Electronic Trading
22 division, who said that Barclays "purport[s] to have a toxicity framework that will
23 protect you when everybody knows internally that that thing is done manually with
24 outliers removed and things are classified [only] if they feel like it." Another former
25 Director in the Equities Electronic Trading division allegedly told the NYAG that
26 Liquidity Profiling is "a scam."

27 47. Barclays not only failed to weed out high frequency traders, but
28 actually encouraged them to continue using its pool, all the while concealing this

1 from Plaintiff and other members of the Class and the Sub-Class. For example,
2 while Barclays told clients like Plaintiff that it was able to “refuse” access to
3 aggressive, high frequency traders, it supplied high frequency trading firms with
4 advantages over more traditional investors trading in its dark pool. As described by
5 one former senior-level Director within the Equities Electronics Trading division,
6 cited by the NYAG Complaint, “Barclays was doing deals left and right with high
7 frequency firms to invite them into the pool to be trading partners for the buy side.
8 So the pool is mainly made up of high frequency firms.” “[T]he way the deal would
9 work is [Barclays] would invite the high frequency firms in. They would trade with
10 the buy side. The buy side would pay the commissions. The high frequency firms
11 would pay basically nothing. They would make their money off of manipulating the
12 price. Barclays would make their money off the buy side. And the buy side would
13 totally be taken advantage of because they got stuck with the bad trade . . . this
14 happened over and over again.”

15 48. Further, as alleged by the NYAG, Barclays repeatedly disclosed
16 information to high frequency trading firms to encourage them to increase their
17 activity in Barclays’ dark pool, including data that helped those firms maximize
18 their aggressive trading strategies, such as the routing logic of Barclays’ order
19 router, the percentage of Barclays’ internal order flow that was first directed into its
20 own dark pool, and a breakdown of trades executed in the dark pool by participant
21 type and “toxicity” level.

22 49. Barclays also reportedly charged little or nothing to high frequency
23 trading firms to trade in its dark pool, and allowed high frequency traders to “cross-
24 connect” to its servers. According to the NYAG, this practice continues even today
25 and several dozen high frequency trading firms are still linked to Barclays and able
26 to take advantage of Barclays’ non-high frequency trading clients.

27 50. Barclays’ concealment about the identity and volume of predatory
28 traders in its LX dark pool was harmful to Plaintiff and the Class regardless of

1 whether the clients' trades were ultimately executed in the LX dark pool or some
2 other exchange or dark pool, since the predatory traders in LX obtained information
3 from the requested trades that Barclays swept across LX and then traded ahead of
4 the trades of Barclays' clients, harming Barclays' clients.

5 51. During the Class Period, when Barclays' clients submitted a trade
6 for execution to Barclays, Barclays swept its own LX dark pool with the requested
7 trades, in addition to sweeping other trading venues. The purpose of sweeping
8 multiple trading venues, including both traditional exchanges and dark pools,
9 purportedly was to try to obtain the most advantageous execution for the client.
10 However, unbeknownst to Barclays' clients, when Barclays swept its LX dark pool
11 with the information about the requested trades, large numbers of predatory traders
12 were lurking. They were able to obtain information about the desired trades before
13 the trades were executed, and then trade ahead of the Barclays' client, either in the
14 LX dark pool or on any other exchange. Thus, whenever a Barclays' client
15 submitted a trade for execution through Barclays, they were harmed by the
16 skimming of information by the predatory traders lurking in the LX dark pool,
17 regardless of whether the Barclays' client's order ended up being executed in the
18 LX dark pool, another ATS, or any other traditional "lit" exchange.

19 52. Plaintiff and other Barclays' clients wanted to avoid trading in
20 venues where proprietary or predatory traders existed. To convince Plaintiff and
21 Class Members to allow Barclays to execute their trades, and to allow their trades to
22 be swept through the LX dark pool for potential execution, Barclays concealed
23 material information about the identity of predatory traders in LX, as well as the
24 volume of trading in its LX dark pool being conducted by predatory traders.
25 Barclays concealed these material facts from both its retail and institutional clients,
26 since it wanted to maximize volume and liquidity in its LX dark pool. Regardless
27 of whether trades ended up being executed in its LX dark pool, Barclays wanted to
28 increase the liquidity and volume of requested trades in the LX dark pool, since

1 increased liquidity and volume were attractive to clients, and thus increased the
2 willingness of clients to trade in the LX dark pool. Thus, Barclays concealed
3 material facts from Plaintiff and the Class in order to induce them to allow their
4 trades to be submitted for potential execution in the LX dark pool.

5 53. The advantage to the predatory traders, however, was unique – they
6 would be allowed to see the requested trades and then utilize that information to
7 their advantage, either by trading ahead of Barclays’ other clients on the LX or
8 other trading venues, or otherwise utilizing the information to their advantage and
9 to the disadvantage of Barclays’ other clients.

10 54. Barclays’ conduct with respect to its LX dark pool appears to be
11 part of a systemic, firm-wide pattern of deceptive and unfair business practices.
12 Barclays was the first bank to be fined for rigging the benchmark interest rates,
13 costing Bob Diamond, the bank’s CEO at the time, his job. It was also fined in
14 May 2014 for manipulating gold prices. On July 29, 2014, the *Wall Street Journal*
15 reported that banking regulators may install government monitors inside Barclays’
16 United States offices after concluding that the bank may have manipulated the
17 foreign-exchange market. According to the London Times, Barclays recently
18 created a Compliance Career Academy in partnership with Cambridge University to
19 try to restore its reputation. The bank’s chairman, David Walker, conceded:
20 “Compliance has not been seen as a serious enough specialist activity. Our track
21 record in culture has not been good. It’s important for us all to have a concept of
22 culture, conduct and compliance.” Given the series of incidents, Walker also said
23 the bank had to work on the basis that “we are guilty until we prove ourselves to be
24 innocent.”

V. CLASS ALLEGATIONS

55. Plaintiff brings this action as a class action under Rule 23 of the Federal Rules of Civil Procedure on behalf of the following Class:

All persons and entities who, during the Class Period (January 1, 2011 to the present), were clients of Barclays and whose trades were submitted for potential execution in the Barclays Liquidity Cross (“LX”) dark pool and suffered harm as a result (the “Class”).

Plaintiff further brings this action on behalf of the following Sub-Class:

All Class Members who, during the Class Period (January 1, 2011 to the present), were California residents (the “Sub-Class”).

Excluded from the Class and Sub-Class are the Defendants herein, and their subsidiaries, parents, affiliates, and controlled persons or entities, including specifically all of their past or present officers and directors. For the avoidance of any doubt, also excluded from the Class and Sub-Class are the predatory and proprietary traders who utilized any information obtained from Class and Sub-Class members from the LX dark pool exchange to benefit themselves and harm the Class and Sub-Class members.

56. The members of the Class and Sub-Class are so numerous that joinder of all members is impracticable. Plaintiff does not know the exact number of Class and Sub-Class members because such information is in the exclusive control of Defendants. Upon information and belief, there are hundreds or thousands of Class and Sub-Class members, geographically dispersed, such that joinder of all class members is impracticable.

57. Plaintiff’s claims are typical of the claims of the members of the Class and Sub-Class, as Plaintiff used the Barclays LX and the claims are based upon similar conduct affecting all and Class and Sub-Class members.

58. Plaintiff will fairly and adequately protect the interests of the

1 members of the Class and Sub-Class and has retained counsel competent and
2 experienced in class litigation. Plaintiff has no interests which are contrary to or in
3 conflict with those of the Class and Sub-Class members which it seeks to represent.

4 59. A class action is superior to other available methods for the fair and
5 efficient adjudication of this controversy since joinder of all members is
6 impracticable. Furthermore, as the damages suffered by individual members may
7 be relatively small, the expense and burden of individual litigation make it virtually
8 impossible for the Class and Sub-Class members to individually seek redress for the
9 wrongs done to them. Plaintiff knows of no difficulty which will be encountered in
10 the management of this litigation which would preclude its maintenance as a class
11 action.

12 60. There is a well-defined community of interest in the questions of
13 law and fact involved in this case. Common questions of law and fact exist as to all
14 members of the Class and Sub-Class, and predominate over any questions affecting
15 solely individual members of the Class and Sub-Class. Questions of law and fact
16 common to the Class and/or Sub-Class include, but are not limited to:

17 (a) whether Plaintiff and the Class and Sub-Class members were
18 Barclays' clients during the Class Period;

19 (b) Whether Plaintiff and the Class and Sub-Class members had one
20 or more trades submitted by Barclays for potential execution in the Barclays LX
21 dark pool during the Class Period;

22 (b) whether Defendants engaged in unfair and/or unlawful business
23 practices;

24 (c) whether Defendants disseminated advertisements that had a tendency
25 to mislead a reasonable person;

26 (d) whether Defendants had a duty to disclose and omitted to disclose
27 material facts;

28 (e) whether Class and Sub-Class members were harmed;

(f) whether declaratory, injunctive and/or restitutionary relief is appropriate and, if so, the proper measure of the relief.

61. The names and address of the Class and Sub-Class members are available from the business records of Defendants. Notice can be provided by first class mail and by using other techniques customarily used in class actions.

VI. CAUSES OF ACTION

FIRST CAUSE OF ACTION

CONCEALMENT

(On Behalf of Plaintiff and the Class)

62. Plaintiff hereby incorporates all of the foregoing paragraphs.

63. As a result of the conduct described herein, Barclays committed deceit by concealment.

64. Barclays intentionally failed to disclose important facts to Plaintiff and the Class concerning the LX exchange, including the nature and extent of aggressive high frequency trading activity in the LX dark pool and its efforts to monitor and curb such trades.

65. Barclays further disclosed some facts to Plaintiff and the Class but intentionally failed to disclose other important facts, making the disclosure deceptive.

66. Barclays further actively concealed important facts from Plaintiff and the Class and/or prevented Plaintiff and the Class from discovering such facts.

67. Plaintiff and the Class were unaware of the true facts that were concealed, and had no means of ascertaining such concealed facts.

68. Barclays intended to deceive Plaintiff and the Class by concealing these facts.

69. At all relevant times, Plaintiff and the Class reasonably relied on Barclays' deception and would have acted differently had they known the true facts. Moreover, these concealed facts were highly material to Plaintiff and the Class, and

1 Plaintiff and the Class would not have paid fees or commissions, or allowed
 2 Barclays to submit their trades for potential execution in the LX dark pool, had they
 3 known the true facts.

4 70. As a result of Barclays' concealment, Plaintiff and the Class were
 5 harmed and Barclays' concealment was a substantial factor in causing the harm.

6 **SECOND CLAIM FOR RELIEF**

7 **UNFAIR COMPETITION**

8 **CALIFORNIA BUS. & PROF. CODE § 17200**

9 **(On Behalf of Plaintiff and the Sub-Class)**

10 71. Plaintiff hereby incorporates all of the foregoing paragraphs.

11 72. The California Unfair Trade Practices Act defines unfair
 12 competition to include any "unfair," "unlawful," or "fraudulent" business act or
 13 practice. Cal. Bus. & Prof. Code § 17200. Unfair competition also includes
 14 "unfair, deceptive, untrue or misleading advertising." *Id.* The Act also provides for
 15 injunctive relief and restitution for violations. *Id.* § 17203.

16 73. This cause of action is brought on behalf of Plaintiff, members of
 17 the Sub-Class, and members of the California general public pursuant to California
 18 Bus. & Prof. Code § 17200 *et seq.* Under Bus. & Prof. Code § 17200 *et seq.*,
 19 Plaintiff is entitled to enjoin Barclays' wrongful practices and to obtain restitution
 20 for the monies paid to Barclays by reason of Barclays' unlawful, unfair, and/or
 21 deceptive acts and practices.

22 74. As a direct and proximate result of the acts and practices alleged
 23 above, Plaintiff, and members of the Sub-Class and the general public who were
 24 clients of Barclays and had their trades submitted by Barclays for potential
 25 execution in Barclays' LX dark pool have been injured.

26 75. Barclays' unlawful, unfair, and fraudulent business acts and
 27 practices, as described above, present a continuing threat to Plaintiff and members
 28 of the Sub-Class and of the general public, in that Barclays is continuing, and will

1 continue, unless enjoined, to commit violations of Bus. & Prof. Code § 17200 and
 2 other laws. This Court is empowered to, and should, grant preliminary and
 3 permanent injunctive relief against such acts and practices.

4 76. Barclays' conduct is "unlawful" because Barclays committed false
 5 or untrue advertising in violation of Cal. Bus. & Prof. Code § 17500.

6 77. Barclays' conduct also is "unfair" due to the conduct alleged herein.

7 78. Barclays' conduct also violates Bus. & Prof. Code § 17200 because
 8 Barclays's conduct, as alleged herein, is "fraudulent."

9 79. Plaintiff, on behalf of itself and the Sub-Class, seeks restitution of
 10 all money and property which Barclays obtained or may have obtained from
 11 Plaintiff and the Sub-Class as a result of its unfair business practices.

12 **THIRD CLAIM FOR RELIEF**

13 **FALSE ADVERTISING**

14 **CALIFORNIA BUS. & PROF. CODE § 17500**

15 **(On Behalf of Plaintiff and the Sub-Class)**

16 80. Plaintiff hereby incorporates all of the foregoing paragraphs.

17 81. Barclays, acting directly or indirectly with intent to induce Plaintiff,
 18 the Sub-Class, and the members of the California general public to allow Barclays
 19 to execute their trades, in violation of Cal. Bus. & Prof. Code § 17500, made or
 20 disseminated or caused to be made or disseminated the deceptive statements alleged
 21 in this Complaint.

22 82. The statements and representations made by Barclays were
 23 deceptive and concealed important information, and were known, or which by the
 24 exercise of reasonable care should have been known, to be deceptive and
 25 misleading.

26 83. Barclays made or disseminated or caused to be made such
 27 statements as part of a plan or scheme with no intent to sell its services as so
 28 advertised.

1 84. Plaintiff actually saw and relied upon one or more of Barclays'
2 advertisements, representations, and statements, and suffered actual injury and harm
3 as a result of Barclays' violation of Cal. Bus. & Prof. Code § 17500.

4 **VII. REQUEST FOR RELIEF**

5 WHEREFORE Plaintiff requests judgment against Defendants as follows:

6 A. A declaration that this action is a proper class action under F.R.C.P. 23
7 on behalf of the Class and Sub-Class as defined herein, and an order directing that
8 reasonable notice of this action be given to each member of the Class and Sub-
9 Class;

10 B. A declaration that Barclays' conduct alleged herein constitutes a
11 violation of California Bus. & Prof. Code § 17200 and a violation of Bus. & Prof.
12 Code § 17500;

13 C. An injunction enjoining, preliminarily and permanently, Barclays from
14 continuing the unlawful conduct alleged herein;

15 D. An award for Plaintiff and the Class and Sub-Class for the costs of this
16 suit (including expert fees), and reasonable attorneys' fees, as provided by law;

17 E. Restitution for Plaintiff and the Class and Sub-Class on the claims; and

18 F. All such other and further relief as the Court deems just and proper.
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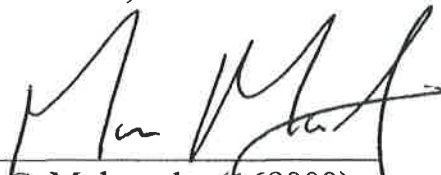
VIII. JURY TRIAL DEMAND

Plaintiff demands a jury trial of all issues subject to adjudication by a trier of fact.

Dated: July 31, 2014

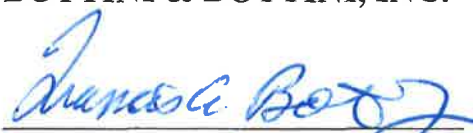
Respectfully submitted,

**COTCHETT, PITRE & McCARTHY,
LLP**



Mark C. Molumphy (168009)
San Francisco Airport Office Center
840 Malcolm Road, Suite 200
Burlingame, CA 94010
Telephone: (650) 697-6000
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BOTTINI & BOTTINI, INC.



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7817 Ivanhoe Avenue, Suite 102
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*Attorneys for Plaintiff Great Pacific
Securities*

Exhibit A



Liquidity Products

Equities | Electronic Trading

February 2012

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Agenda

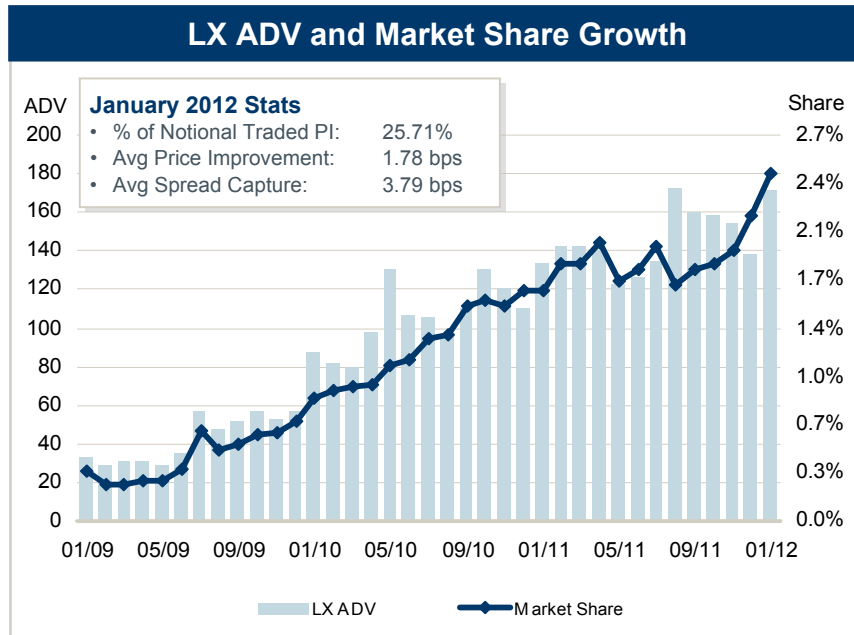
1. Algorithmic Trading Strategies
2. LX[®] Liquidity Cross
3. Dynamic Router
4. Portfolio WebBench[®] Analytics

Appendix

Barclays Capital Equities

Highlights

- #3 Liquidity Provider on Nasdaq¹
- Barclays Capital's LX is the 3rd largest broker-dealer dark pool with ADV over 138M shares²
- Largest DMM on New York Stock Exchange, representing over 1,000 listed securities
- Automated Volatility Trading makes markets in over 2,000 options issues across 5 exchanges
- #2 for Overall Trading Quality in US Equities (*Greenwich Associates*, 2011)



Nasdaq Top Market Participants¹

Rank	Market Maker	Volume	Market Share (%)
1	Citadel Securities LLC	78,452,798	7.55
2	Merrill Lynch, Pierce, Fenner & Smith	54,275,633	5.22
3	Barclays Capital	50,851,664	4.89
4	UBS Securities LLC	46,435,142	4.47
5	Goldman, Sachs & Co.	39,743,555	3.82
6	Deutsche Bank Securities Inc	37,157,191	3.58
7	JP Morgan Securities LLC	32,472,823	3.13
8	Knight Capital Americas LP	29,058,982	2.80
9	Citigroup Global Markets Inc	20,622,188	1.98
10	Pershing LLC	5,304,389	0.51

1. Nasdaqtrader.com; Daily Share Volume Retrieved 3 February, 2012

2. Rosenblatt January 2012 market structure report – December 2011 data

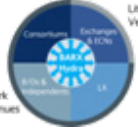
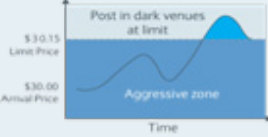
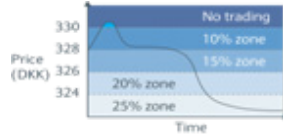


Algorithmic Trading Strategies

Equities Algorithmic Trading Strategies

Benchmark-Driven Strategies

Strategy	Description	US	EMEA	Asia
Implementation Shortfall				
	Minimizes slippage relative to arrival price	●	●	○
VWAP				
	Minimizes slippage relative to the market Volume-Weighted Average Price (VWAP)	●	●	●
With Volume				
	Participates with actual market activity at a user-specified percentage	●	●	●
TWAP				
	Spreads the order evenly over the user-specified time horizon	●	●	●
Portfolio Target Strike				
	Minimize implementation shortfall on a portfolio level	●	○	○
Target Close				
	Minimizes market impact into the close and controls participation in the closing auction	●	●	○

Trader-Defined Strategies

Strategy	Description	US	EMEA	Asia
BARX® Hydra				
	Spreads child orders over multiple dark pools (including Barclays Capital LX Liquidity Cross); It rebalances the order based on fill success rates	●	●	○
Rapid				
	Executes orders quickly whenever liquidity is available at a price better than the fair value	●	○	○
Escalate				
	Adjusts aggressiveness dynamically based on price or relative performance to a user-specified benchmark	●	●	○
Pairs Trader				
	Automatically execute paired buy and sell orders in relative value trades. The user specifies the deal terms, target spread and execution method	●	●	○
Custom Algorithms				
	Create custom execution strategies using a combination of actions and triggers	●	○	○

Electronic Equity Options Trading

Algorithmic Trading Strategies

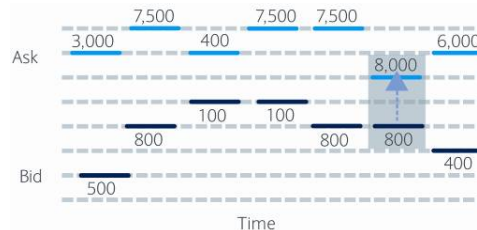
Barclays Capital offers best-in-class options execution tools, accessible from the most widely used order and execution management systems, in a streamlined, user-friendly package

Options Dynamic Router

The Dynamic Router is able to seek out liquidity based on the best available prices, combining sweeping, posting and reserve functionality in a single, low-latency execution product

Options Work & Pounce

The strategy works the order passively until aggressive size, price and time constraints are satisfied



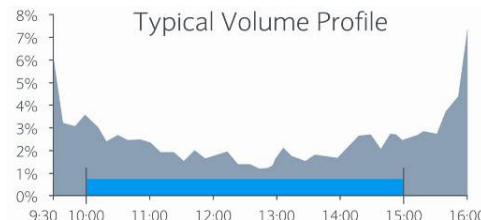
Spread Trader

Provides for greater access to liquidity by trading legs across all exchanges rather than being dependent on a single exchange



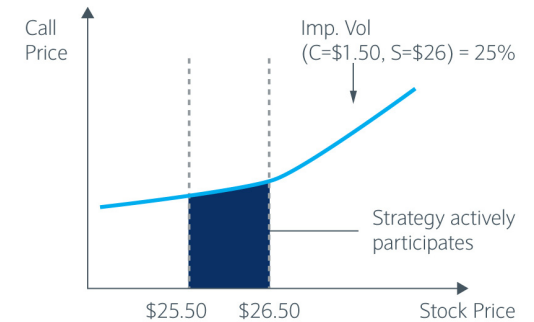
Options TWAP

TWAP allows traders to execute large options orders evenly over the specified time horizon to reduce impact and information leakage



Volatility Trader

The strategy works at a volatility level implied from user-specified reference prices and optionally executes stock to maintain desired delta exposure



Implementation Shortfall (IS)

Algorithmic Trading Strategies

Barclays Capital's pioneering IS algorithmic trading strategy minimizes slippage relative to arrival price by dynamically optimizes order placement. The algorithm continuously evaluates the trade-offs between current price, market impact, expected future volatility and liquidity, across the entire trading period.

Traditional Strategies vs. Barclays Capital Implementation Shortfall

Traditional IS Strategies	Barclays Capital's Implementation Shortfall
<ul style="list-style-type: none"> Static execution schedule is pre-determined at the beginning of the trading period 	<ul style="list-style-type: none"> Real-time dynamic approach optimizes placement of each child order
<ul style="list-style-type: none"> Schedules tend to be front-loaded and favor rapid execution 	<ul style="list-style-type: none"> Dynamic scheduling executes across the entire allotted trading time period
<ul style="list-style-type: none"> Execution risk does not take into account the opportunity costs of not executing 	<ul style="list-style-type: none"> Opportunity cost is explicitly accounted for in the modeling of execution risk
<ul style="list-style-type: none"> No explicit anti-gaming features 	<ul style="list-style-type: none"> Undetectable trading pattern leaves minimal footprint, minimizes risk of gaming

Benefits

- Minimizes information leakage and potential for gaming created by pre-set schedules
- Based on real-time market conditions
- Behavior is consistent with traders' intuition but based on fully analytical model

Behavior Highlights

- The best case for this strategy is sustained two-sided volatility where the algorithm will opportunistically participate when prices are in-the-money
- The worst case is sustained momentum in the direction of the trade where the algorithm will slow down and be forced to complete the trade as the end time nears; optimal duration will reduce the horizon according to urgency to minimize the risk of extreme tail outcomes

New BARX[®] Hydra

Maximize liquidity. Minimize footprint.

Algorithmic Trading Strategies

The all-new BARX Hydra is re-engineered and powered by our smartest logic yet. Because three brains are better than one.

The Three Brains of Hydra

What is the optimal order placement strategy?

No pre-determined trade scheduling here. Hydra is built on Barclays Capital's Implementation Shortfall strategy which determines the optimal order size in response to real-time price movements. Its dynamic behavior minimizes slippage and information leakage.

What is the optimal amount to get done in the dark?

The Step-Ahead function will take into consideration the impact of executing in the dark and will optimize the order size determined by IS to take advantage of liquidity and price.

What is the optimal way to allocate the order among dark venues?

The Dark Liquidity Accessor (DLA) predicts and learns where liquidity resides at the symbol-by-venue level and manages the placement of dark orders to capture liquidity and avoid gaming. Dark and lit orders are simultaneously placed to further reduce footprint.



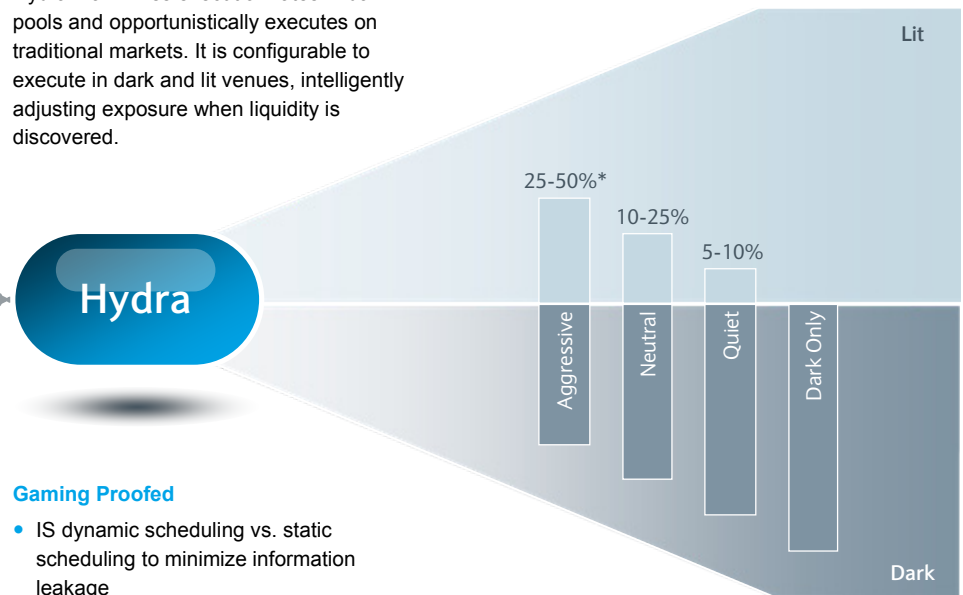
Configurable

Hydra maximizes execution rates in dark pools and opportunistically executes on traditional markets. It is configurable to execute in dark and lit venues, intelligently adjusting exposure when liquidity is discovered.

Gaming Proofed

- IS dynamic scheduling vs. static scheduling to minimize information leakage
- DLA optimal allocation across dark venues to avoid gaming
- Real-time detection and reaction to gaming by venue
- Cost of dark execution factored into dark allocation model
- Simultaneous placement of lit and dark orders reduces footprint

Configurable and Gaming Proofed



* Volume limits are approximate and may not reflect actual participation

When To Use...

Algorithmic Trading Strategies

Implementation Shortfall	vs.	BARX Hydra
<ul style="list-style-type: none"> IS will minimize slippage relative to the arrival price by utilizing a dynamic engine to continually optimize placement of child orders, based on current price, market impact, time remaining and expected future volatility IS will complete the order, barring any volume or limit price restrictions 		<ul style="list-style-type: none"> Hydra will use the same logic as IS, but will look to maximize execution rates in dark liquidity pools; Hydra will intelligently adjust exposure to certain dark pools once liquidity is discovered Hydra will look to complete, but it is not guaranteed to do so depending on market volume.
Both strategies have urgency level settings which can be adjusted to trade stocks of various market capitalization; a lower urgency level is a better tactic for small cap names (IS Low, Hydra Dark or Hydra Quiet)		
Rapid	vs.	Dynamic Router
<ul style="list-style-type: none"> When seeking liquidity aggressively, both Rapid and the Dynamic Router have access to major US exchanges, ECNs, LX Liquidity Cross and various liquidity partners and ATSS. Unlike the Router, Rapid will oversize the order in search of reserve liquidity, a true pin-it-to-my-limit strategy Rapid allows traders to tone down aggressiveness by configuring its cycle time and oversize parameters, allowing liquidity to replenish (e.g. "Take 30% of what's displayed every 8 seconds.") Rapid's ability to post hidden often makes it useful in small and micro-cap situations, allowing the trader to layer the book inside of a wide spread, without showing his hand 		<ul style="list-style-type: none"> Dynamic Router uses a combination of historical and real-time data to choose the best venue to post out-loud; for this reason, Rapid does not work as well in deep books where out loud orders take priority.
VWAP	vs.	TWAP
<ul style="list-style-type: none"> Both algorithms are schedule-based strategies useful for spreading an order over a specific time horizon. VWAP is typically used by traders more sensitive to volume patterns by trading in proportion to expected market volume. The VWAP benchmark is widely used as a gauge of trading performance. 		<ul style="list-style-type: none"> TWAP executes the order evenly over the user-specified time horizon and will remain on a tight schedule. This strategy is best used near the end of the day to equally spread the stock in to the closing auction.

LX[®] Liquidity Cross

LX[®] Liquidity Cross

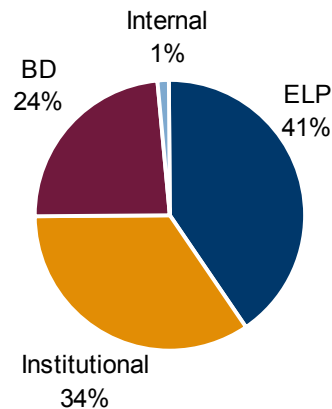
LX[®] Liquidity Cross

LX aggregates all available non-displayed liquidity within the firm for clients and is seamlessly integrated with our Dynamic Router and algorithmic trading strategies.

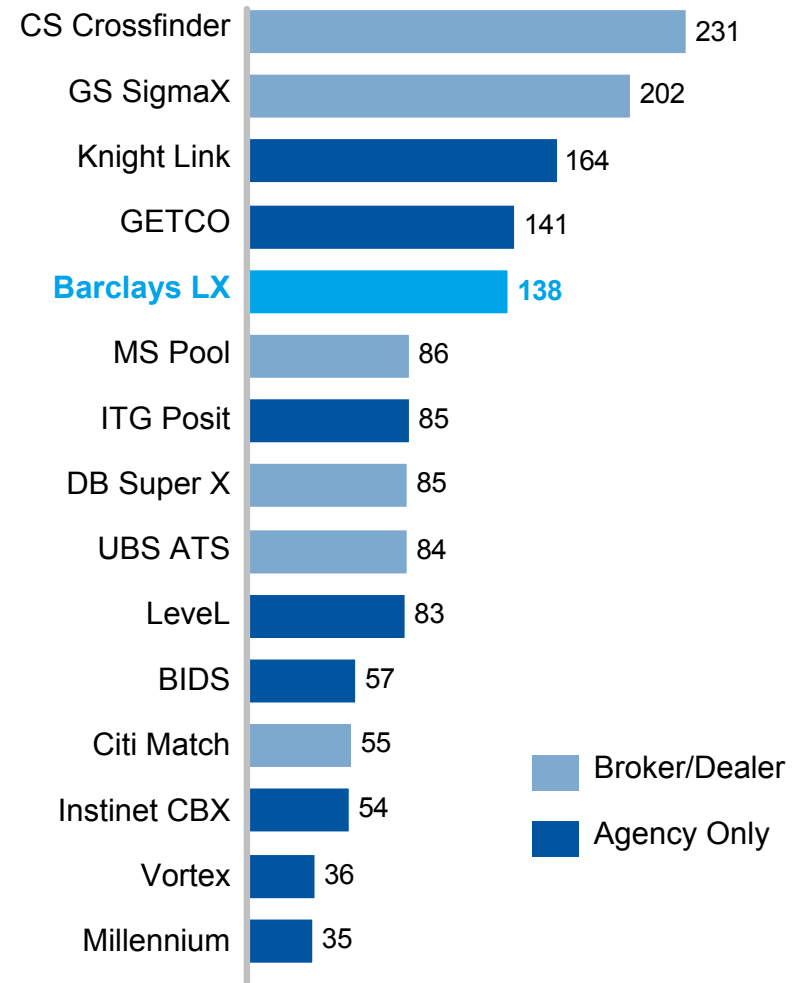
Liquidity Highlights

- **LX ADV in January was 170M shares, with 2.46% market share¹**
- Consistent volume growth from institutional and BD client base
- Continued quantitative research on the Liquidity Profiling initiative to protect customer order flow
- Deployed new network hardware in the Savvis data center resulting in a 5% improvement in median ACK latencies

Liquidity Breakdown



US Dark Pool Competitive Landscape – December²



1. Source: Barclays Capital internal reporting – February Report (double counted)

2. Rosenblatt Securities Inc.; January 2012 Report (double counted; December 2011 statistics)

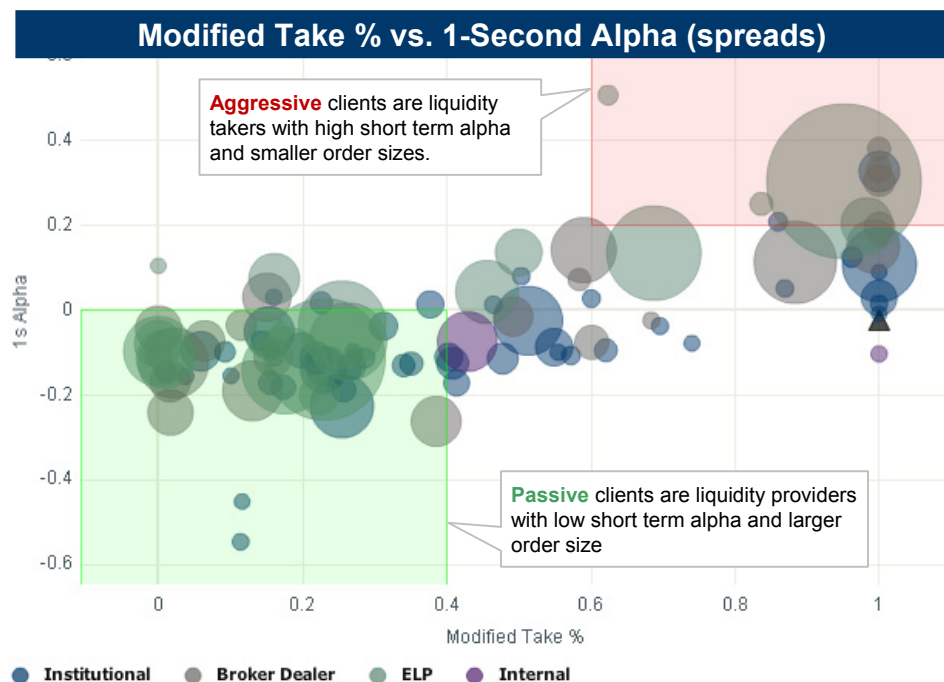
New LX[®] Liquidity Profiling

LX[®] Liquidity Cross

The objective of the new LX[®] Liquidity Profiling framework is to increase fill rates and improve performance for institutions trading in LX by targeting beneficial counterparties.

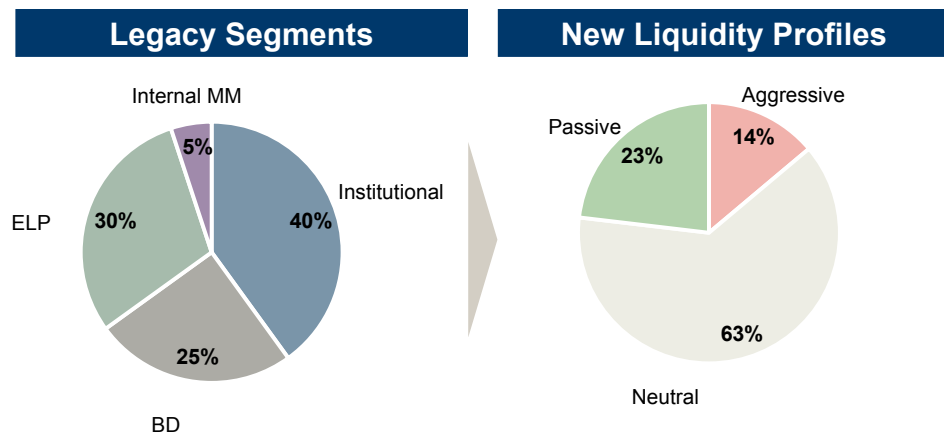
- **Legacy entitlement framework defines client segments statically**
 - ▶ Clients used to be statically assigned to a “segment” during onboarding as follows:
 - *Institutional* – Clients accessing LX via Barclays Capital’s algorithms or Dynamic Router (40% of LX volume)
 - *Broker-Dealer* – Full-service and regional BDs sending agency order flow directly to LX (25%)
 - *Electronic Liquidity Providers (ELPs)* – High frequency and multi-strategy firms who make markets in LX (30%)
 - *Barclays Capital Internal* – Equity Market Making, NYSE DMM, and Options MM delta hedges (5%)
 - ▶ Clients had the ability to prevent crossing with specific segments
- **However, clients within a given segment exhibit divergent flow characteristics**
 - ▶ The ELP segment contains some clients that provide “aggressive” liquidity as well as clients that provide beneficial liquidity that should be accessed by all clients
 - ▶ The Broker-Dealer segment contains some “passive”, beneficial flows, but also some aggressive flows where, for example, proprietary trading firms are using BDs to access LX
- **The new LX Liquidity Profiling framework scores individual clients based on the quality of their order flow**
 - ▶ Creates objective criteria to profile clients, e.g., short-term alpha, order size, provide vs. take ratio
 - ▶ A powerful tool to proactively monitor LX and work with clients to improve the quality of flows into the pool
 - ▶ Allows Barclays to regularly evaluate client profiles as opposed to a one-off categorization at onboarding

New LX[®] Liquidity Profiling

LX[®] Liquidity Cross

Constantly Monitoring Flow Quality

- The new LX Liquidity Profiling framework provides Barclays Capital with transparency into the flow coming from individual participants in LX:
 - ▶ Firms classified as ELPs include both aggressive and *passive* liquidity providers, e.g. those operating market making strategies
 - ▶ Institutions and BDs segments include both passive and *aggressive* liquidity providers, e.g., those with high-alpha flows
- By understanding the characteristics of flow at the client level, Barclays Capital can improve the overall quality of LX liquidity:
 - ▶ Passive liquidity providers can be identified and encouraged
 - ▶ High alpha takers can be held accountable, e.g., by demanding liquidity providing strategies, or by refusing a client access
 - ▶ Natural selection – transparency means aggressive flows will tend to be suppressed by clients



Note: This chart represents the top 100 clients in LX (~86% of total flow). The analysis spans more than 11.3 million trades.

Liquidity Profiling Factors

LX® Liquidity Cross

Factor	Definition
1-Second Take Alpha	<p>Movement of the mid-quote from the time of the trade to one second later, normalized by the size of the spread.</p> <p><i>Note: It was determined that the 1-second horizon is the most reliable metric based on experimentation with various horizons and feedback from many LX clients. 30- and 60-second alphas correlate well with 1-second alphas but have larger standard errors.</i></p>
Modified Take Percentage	<p>A measure of how often a client is attempting to provide versus take liquidity in LX.</p> <p><i>Note: Mid-point and passive pegged orders which are sent with a DAY time in force are always treated as liquidity providing, even if they cross on entry.</i></p>
Normalized Order Size	<p>Average client order size in LX, normalized by the average execution size in the market, for an individual name.</p> <p><i>For example, client sends 300 share orders in SPY, and LX average execution size in SPY is 235. Client therefore has a 1.27 score for order size.</i></p>



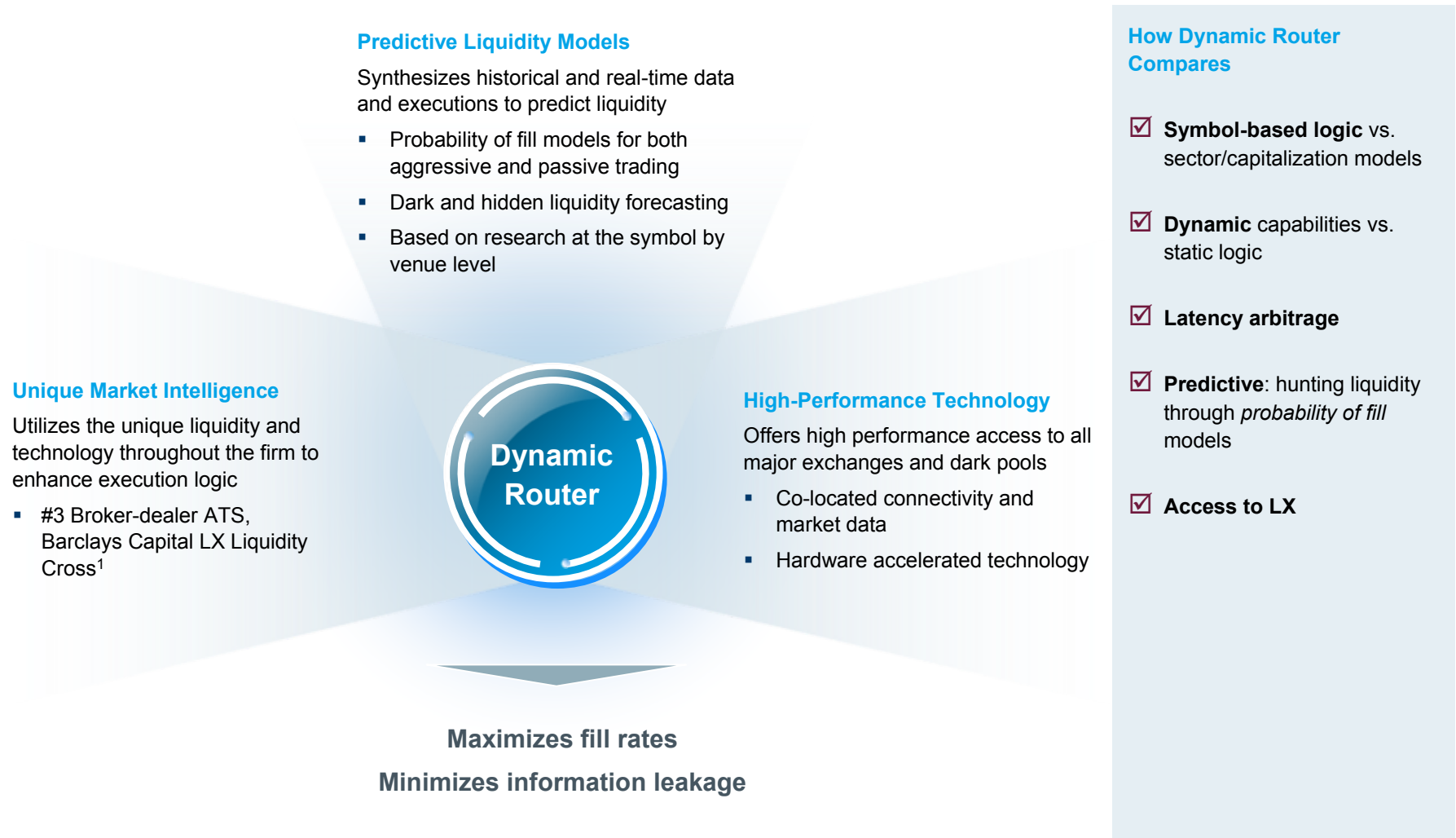
Analysis of factors continues, e.g., to include parent-level metrics for clients using Barclays Capital's algos. For example, how do various counterparties in LX affect slippage vs. time weighted average mid-quote or price drift.

Dynamic Router

Dynamic Router

Dynamic Router

Barclays Capital's Dynamic Router uses unique market intelligence, predictive liquidity models, and high-performance technology to maximize fill rates while reducing information leakage.



1. Rosenblatt Securities Inc. and Barclays Capital analysis

Traditional SOR vs. Dynamic Router

Dynamic Router

Execution Logic

	Traditional Static Order Routers	VS.	Barclays Capital's Dynamic Router
Venue Ranking	<ul style="list-style-type: none"> Venues ranked statically across groups of symbols 		<ul style="list-style-type: none"> Venues ranked dynamically at the symbol level, based on historical and real-time fill rate data
Dark Access	<ul style="list-style-type: none"> Sequential pinging (All dark venues before going to lit markets) Orders continue to check venues that do not fill orders (leakage) 		<ul style="list-style-type: none"> Parallel routing to all venues based on probability of fill Orders to dark venues are sized to match the expected liquidity
Posting	<ul style="list-style-type: none"> Orders posted to venues with the highest rebate 		<ul style="list-style-type: none"> Orders post to venues based on probability of fill Intelligent reserve order sizing to limit information leakage
Profiling	<ul style="list-style-type: none"> Same execution logic across all stocks Models based on historical data only 		<ul style="list-style-type: none"> Stock specific logic based on market & order characteristics Models consider real time and historical events

Strategy

- Treat all venues the same based on execution quality
- Utilize Barclays Capital's volume to enhance real-time models
- Incorporate high frequency capabilities into product/systems
- Gain volumes from clients/internal desks and mindshare with regulators

Performance

	Traditional Static Order Routers	Barclays Capital's Dynamic Router
Exchange Fill Rate	75%	95%
Dark Fill Rate	10%	25%
Dark Symbols Pinged	4,000	1,500
Venues Per Order	5	3
Algo Posted Fill Rate	12%	25%
Latency	30ms	15ms

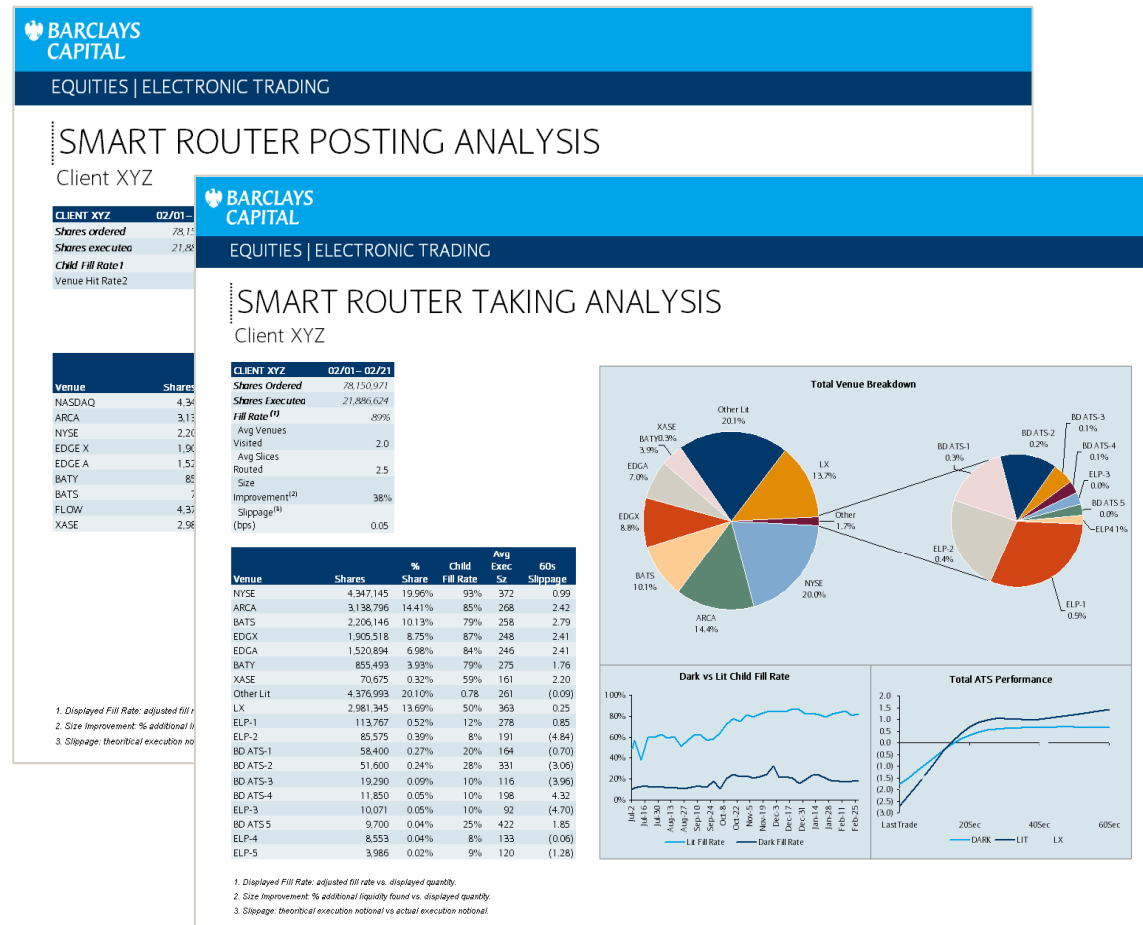
- Increased fill rates in lit and dark venues
- Reduced dark venues checked and pinged to reduce information leakage
- Increased overall order placement efficiency

Dynamic Router Reporting

Dynamic Router

Measure execution quality with Dynamic Router performance reports

- Execution summaries for posting and taking
- Venue toxicity analysis
- Mean reversion analysis
- Symbol analysis



FOR ILLUSTRATIVE PURPOSES ONLY

Portfolio WebBench[®] Analytics

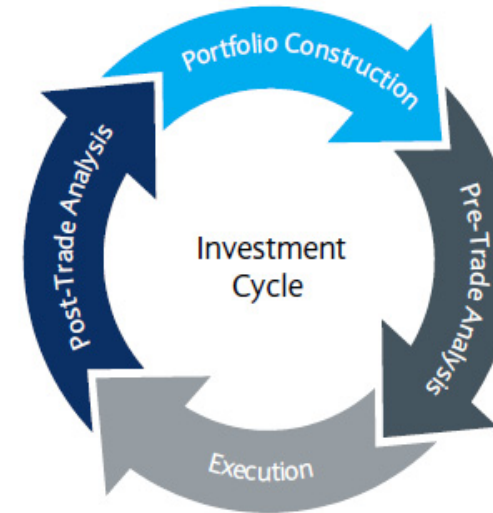
Portfolio WebBench®

Portfolio WebBench® Analytics

Portfolio WebBench® is Barclays Capital's flagship execution analytics toolkit for global equity portfolios, offering insight into every stage of the investment process, from portfolio construction to post-trade analysis.



Portfolio WebBench generates a broad range of analytical reports



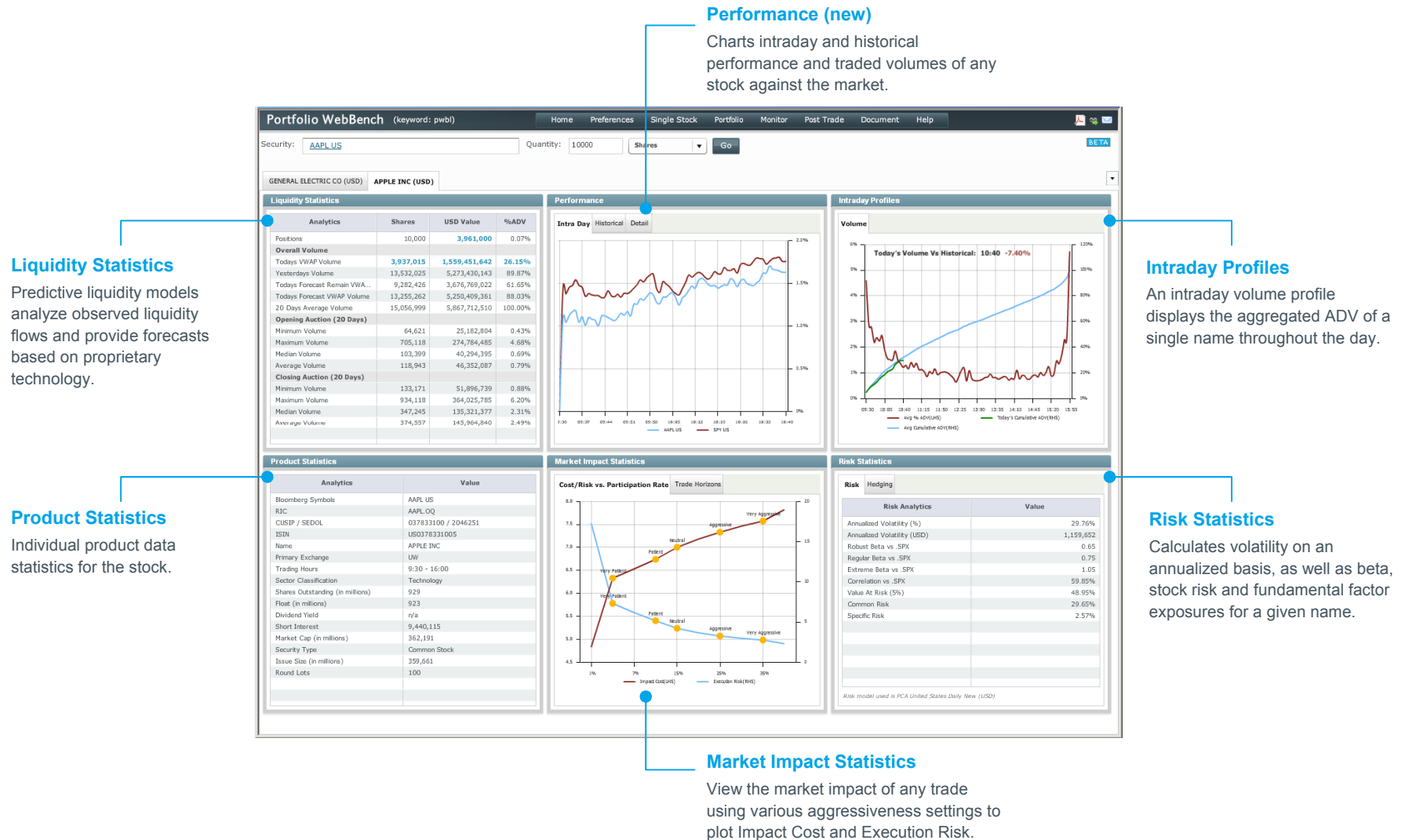
Portfolio WebBench supports all phases of the investment cycle

- **Portfolio Construction:** Construction and rebalancing optimization tools that provide market impact cost accounting, risk factor analysis, optimal hedging strategies, and holdings analysis
- **Pre-Trade Analysis:** Liquidity screening, market impact cost forecasting, optimal trade scheduling, risk and volatility analysis, recent performance, and streamlined risk bids
- **Execution:** Real-time monitoring of progress and slippage relative to seventeen benchmarks
- **Post-Trade Analysis:** Slippage details and transaction summary reports

Portfolio WebBench® Pre-Trade Analysis

Portfolio WebBench® Analytics

New Dynamic Interface for Single Stock Analytics



Portfolio WebBench® Live

Portfolio WebBench® Analytics

Real-time Order Transparency, Intra-trade Intelligence, Flexible Web Interface

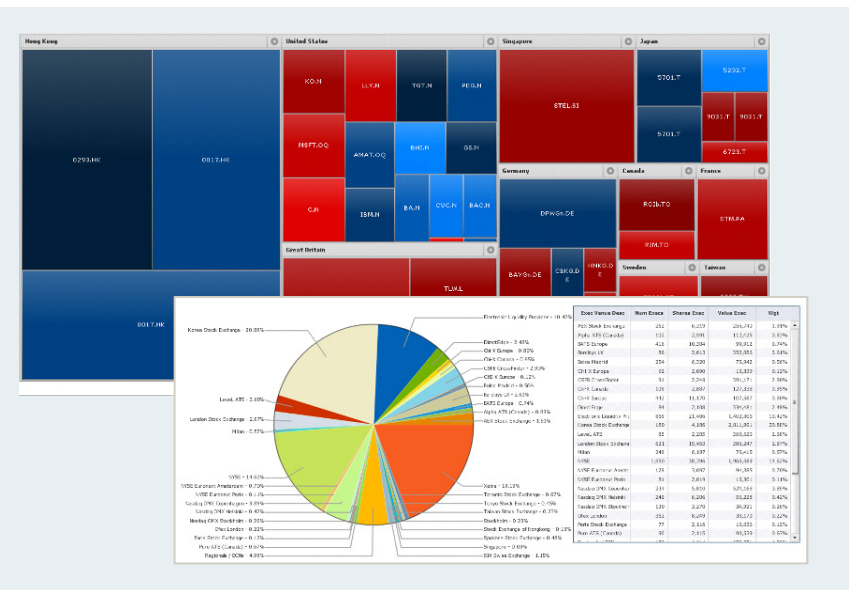
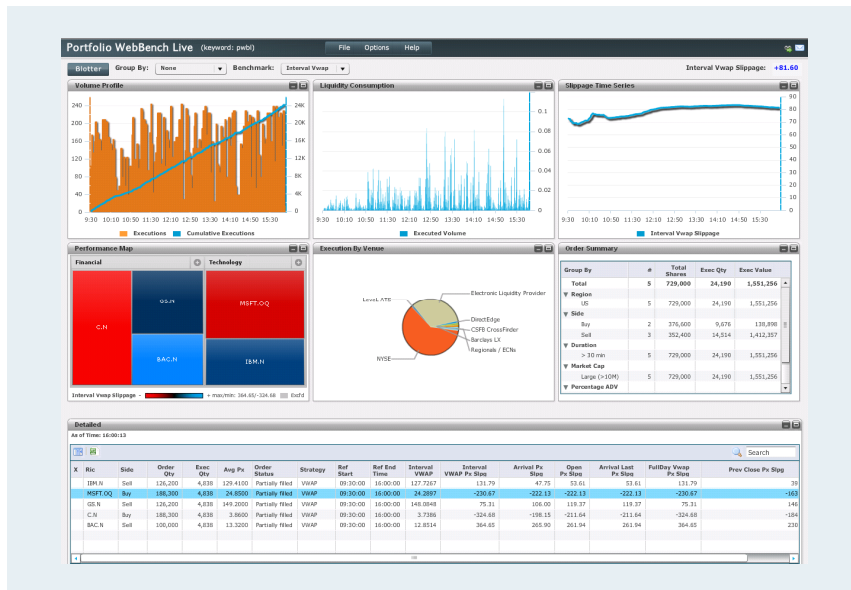
Portfolio WebBench® Live is a web-based execution monitoring application that provides a unique window into the performance of your trade through real-time transaction cost analysis. Portfolio WebBench Live offers enhanced order transparency, allowing traders to pinpoint and react to risk as a transaction unfolds.

Real-Time Capabilities

- Live performance monitoring against multiple benchmarks
- Slippage decomposition by capitalization, region, order size, average daily volume percentage and side
- Execution venue breakdown, including displayed and non-displayed liquidity pools
- Performance heat map to assess slippage drivers
- Downloadable execution reports in Microsoft Excel® format

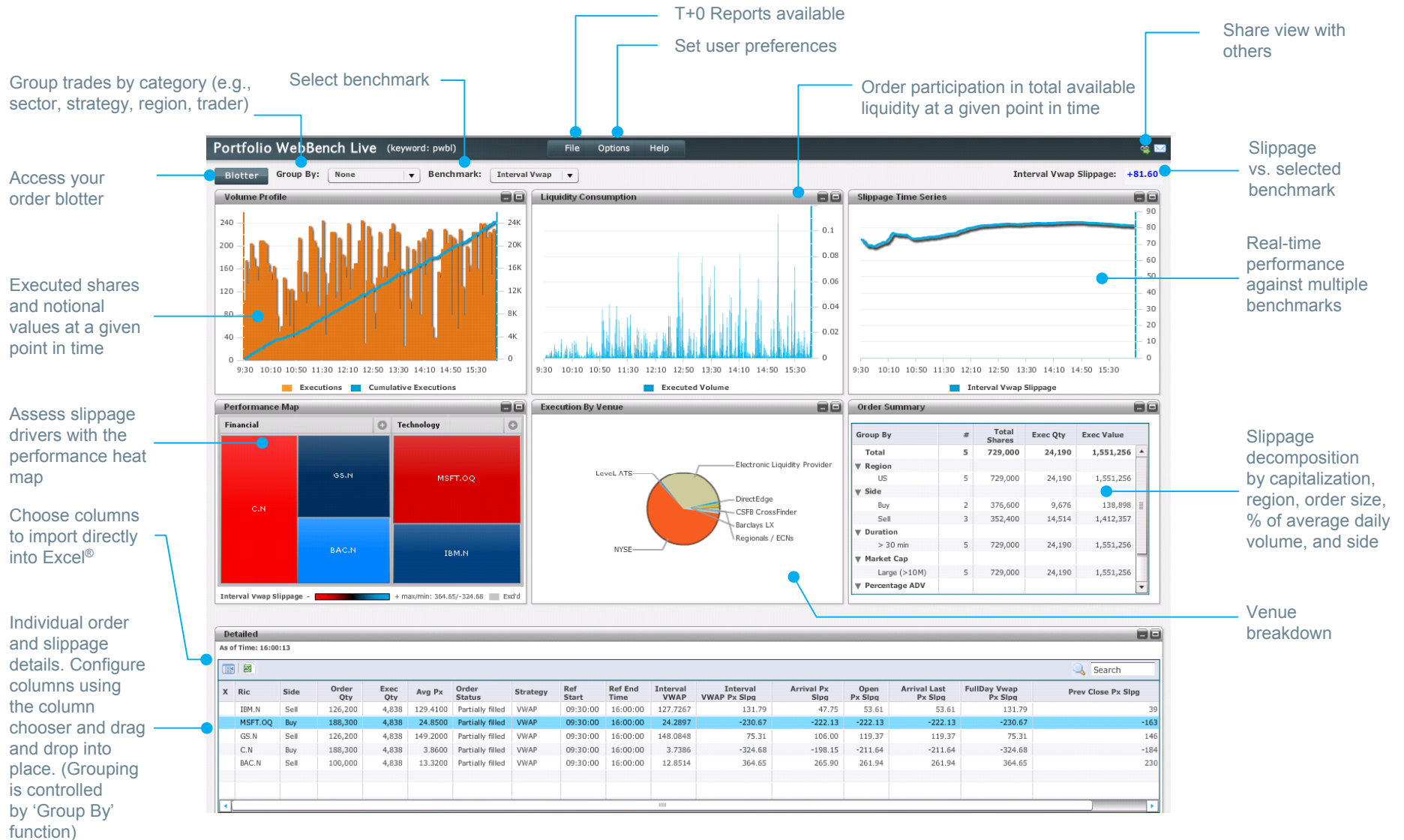
Intra-Trade Intelligence

- Monitor and measure performance in real time
- Identify and manage trading risks
- Measure aggregate performance by grouping orders
- Decompose slippage drivers to pinpoint problem areas
- Adapt trading strategies in response to real-time information
- Enhance communication and provide greater transparency



Portfolio WebBench® Live

Portfolio WebBench® Analytics



Appendix

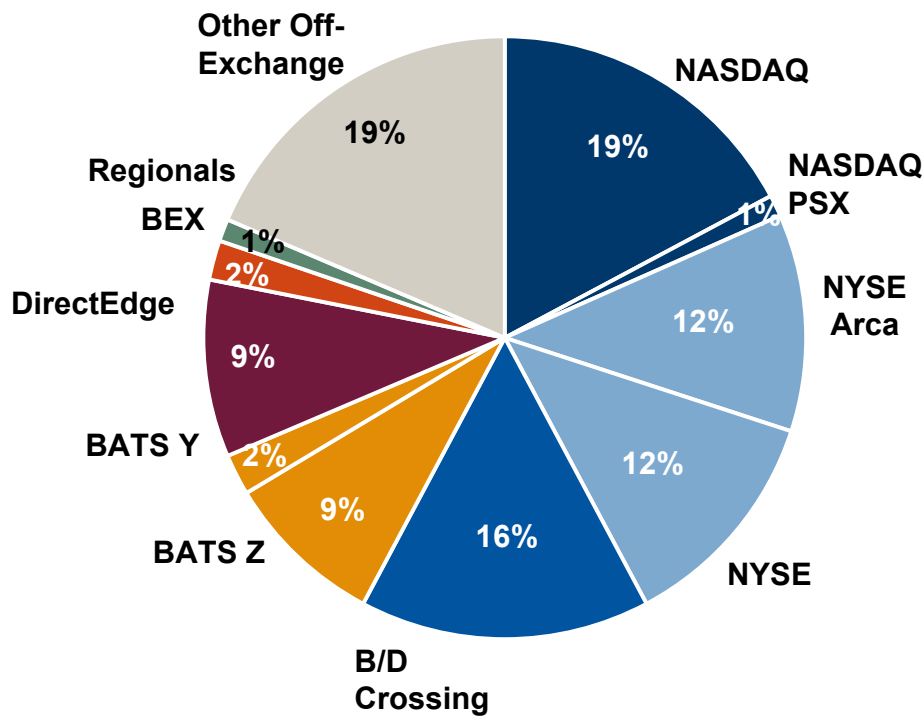
US Equities Market

Appendix

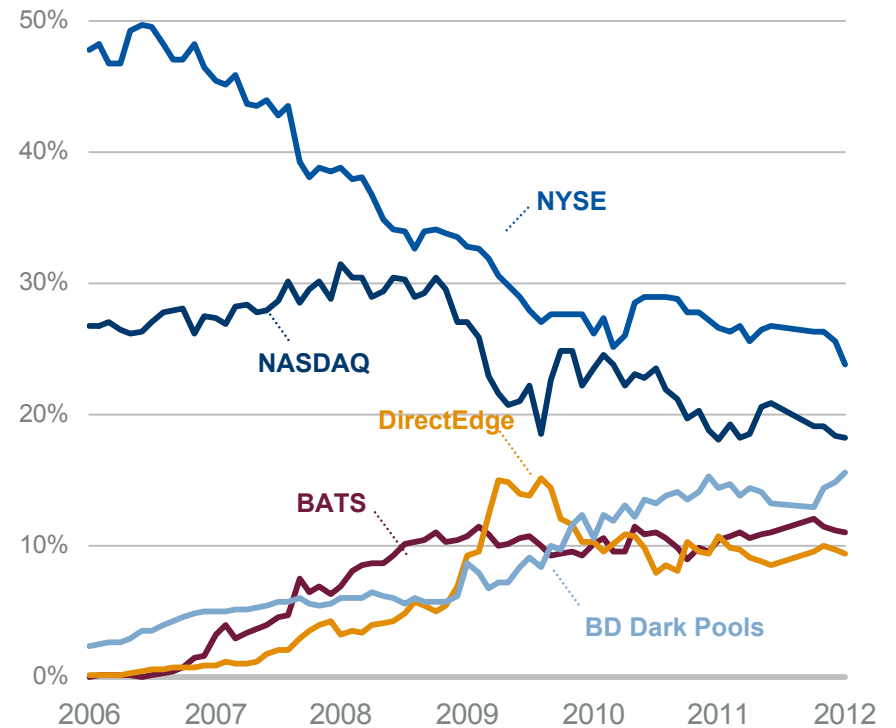
Broker-dealer crossing venues continue to take market share from traditional exchanges.

Market ADV – January 2012

Total ADV = 6.9 Billion Shares



Market Share Trends (2006-2012 YTD)



Sources: Barclays Capital Analysis, BATS Trading, Arca Vision

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UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET

I. (a) PLAINTIFFS (Check box if you are representing yourself <input type="checkbox"/>) Great Pacific Securities, on behalf of itself and all other similarly situated,	DEFENDANTS (Check box if you are representing yourself <input type="checkbox"/>) Barclays PLC, Barclays Capital, Inc., and Does 1-5, inclusive,
(b) County of Residence of First Listed Plaintiff <u>Orange</u> <i>(EXCEPT IN U.S. PLAINTIFF CASES)</i>	County of Residence of First Listed Defendant <u>United Kingdom</u> <i>(IN U.S. PLAINTIFF CASES ONLY)</i>
(c) Attorneys (Firm Name, Address and Telephone Number) If you are representing yourself, provide the same information. Cotchett, Pitre & McCarthy, LLP 840 Malcolm Road, Ste. 200 Burlingame, CA 94010 (650) 697-6000	Attorneys (Firm Name, Address and Telephone Number) If you are representing yourself, provide the same information.

II. BASIS OF JURISDICTION (Place an X in one box only.) <input type="checkbox"/> 1. U.S. Government Plaintiff <input type="checkbox"/> 2. U.S. Government Defendant <input type="checkbox"/> 3. Federal Question (U.S. Government Not a Party) <input checked="" type="checkbox"/> 4. Diversity (Indicate Citizenship of Parties in Item III)	III. CITIZENSHIP OF PRINCIPAL PARTIES -For Diversity Cases Only (Place an X in one box for plaintiff and one for defendant) <table border="1" style="width:100%"><thead><tr><th></th><th>PTF</th><th>DEF</th><th></th><th>PTF</th><th>DEF</th></tr></thead><tbody><tr><td>Citizen of This State</td><td><input checked="" type="checkbox"/> 1</td><td><input type="checkbox"/> 1</td><td>Incorporated or Principal Place of Business in this State</td><td><input type="checkbox"/> 4</td><td><input type="checkbox"/> 4</td></tr><tr><td>Citizen of Another State</td><td><input type="checkbox"/> 2</td><td><input type="checkbox"/> 2</td><td>Incorporated and Principal Place of Business in Another State</td><td><input type="checkbox"/> 5</td><td><input type="checkbox"/> 5</td></tr><tr><td>Citizen or Subject of a Foreign Country</td><td><input type="checkbox"/> 3</td><td><input checked="" type="checkbox"/> 3</td><td>Foreign Nation</td><td><input type="checkbox"/> 6</td><td><input type="checkbox"/> 6</td></tr></tbody></table>		PTF	DEF		PTF	DEF	Citizen of This State	<input checked="" type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business in this State	<input type="checkbox"/> 4	<input type="checkbox"/> 4	Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business in Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5	Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input checked="" type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6
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Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input checked="" type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6																				

IV. ORIGIN (Place an X in one box only.)						
<input checked="" type="checkbox"/> 1. Original Proceeding	<input type="checkbox"/> 2. Removed from State Court	<input type="checkbox"/> 3. Remanded from Appellate Court	<input type="checkbox"/> 4. Reinstated or Reopened	<input type="checkbox"/> 5. Transferred from Another District (Specify)	<input type="checkbox"/> 6. Multi-District Litigation	

V. REQUESTED IN COMPLAINT: JURY DEMAND: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (Check "Yes" only if demanded in complaint.)	
CLASS ACTION under F.R.Cv.P. 23: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	MONEY DEMANDED IN COMPLAINT: \$ <u>75,000.00 +</u>

VI. CAUSE OF ACTION (Cite the U.S. Civil Statute under which you are filing and write a brief statement of cause. Do not cite jurisdictional statutes unless diversity.) Concealment; Violation of California Business & Professional Code Sections 17200 & 17500

VII. NATURE OF SUIT (Place an X in one box only).

OTHER STATUTES	CONTRACT	REAL PROPERTY CONT.	IMMIGRATION	PRISONER PETITIONS	PROPERTY RIGHTS
<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce/ICC Rates/Etc. <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced & Corrupt Org. <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Info. Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Admin. Procedures Act/Review of Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes	<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loan (Excl. Vet.) <input type="checkbox"/> 153 Recovery of Overpayment of Vet. Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment	<input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property TORTS PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Fed. Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury-Med Malpractice <input type="checkbox"/> 365 Personal Injury-Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability	<input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions TORTS PERSONAL PROPERTY <input checked="" type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability BANKRUPTCY <input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 CIVIL RIGHTS <input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 445 American with Disabilities-Employment <input type="checkbox"/> 446 American with Disabilities-Other <input type="checkbox"/> 448 Education	Habeas Corpus: <input type="checkbox"/> 463 Alien Detainee <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty Other: <input type="checkbox"/> 540 Mandamus/Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee Conditions of Confinement FORFEITURE/PENALTY <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Ret. Inc. Security Act	<input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405 (g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405 (g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS-Third Party 26 USC 7609

FOR OFFICE USE ONLY:

Case Number:

**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET**

VIII. VENUE: Your answers to the questions below will determine the division of the Court to which this case will be initially assigned. This initial assignment is subject to change, in accordance with the Court's General Orders, upon review by the Court of your Complaint or Notice of Removal.

QUESTION A: Was this case removed from state court? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "no," skip to Question B. If "yes," check the box to the right that applies, enter the corresponding division in response to Question E, below, and continue from there.	STATE CASE WAS PENDING IN THE COUNTY OF: <input type="checkbox"/> Los Angeles, Ventura, Santa Barbara, or San Luis Obispo <input type="checkbox"/> Orange <input type="checkbox"/> Riverside or San Bernardino		INITIAL DIVISION IN CACD IS: Western Southern Eastern
QUESTION B: Is the United States, or one of its agencies or employees, a PLAINTIFF in this action? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "no," skip to Question C. If "yes," answer Question B.1, at right.	B.1. Do 50% or more of the defendants who reside in the district reside in Orange Co.? <i>check one of the boxes to the right</i> → B.2. Do 50% or more of the defendants who reside in the district reside in Riverside and/or San Bernardino Counties? (Consider the two counties together.) <i>check one of the boxes to the right</i> →	YES. Your case will initially be assigned to the Southern Division. <input type="checkbox"/> Enter "Southern" in response to Question E, below, and continue from there. <input type="checkbox"/> NO. Continue to Question B.2. YES. Your case will initially be assigned to the Eastern Division. <input type="checkbox"/> Enter "Eastern" in response to Question E, below, and continue from there. <input type="checkbox"/> NO. Your case will initially be assigned to the Western Division. <input type="checkbox"/> Enter "Western" in response to Question E, below, and continue from there.	
QUESTION C: Is the United States, or one of its agencies or employees, a DEFENDANT in this action? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "no," skip to Question D. If "yes," answer Question C.1, at right.	C.1. Do 50% or more of the plaintiffs who reside in the district reside in Orange Co.? <i>check one of the boxes to the right</i> → C.2. Do 50% or more of the plaintiffs who reside in the district reside in Riverside and/or San Bernardino Counties? (Consider the two counties together.) <i>check one of the boxes to the right</i> →	YES. Your case will initially be assigned to the Southern Division. <input type="checkbox"/> Enter "Southern" in response to Question E, below, and continue from there. <input type="checkbox"/> NO. Continue to Question C.2. YES. Your case will initially be assigned to the Eastern Division. <input type="checkbox"/> Enter "Eastern" in response to Question E, below, and continue from there. <input type="checkbox"/> NO. Your case will initially be assigned to the Western Division. <input type="checkbox"/> Enter "Western" in response to Question E, below, and continue from there.	
QUESTION D: Location of plaintiffs and defendants? Indicate the location(s) in which 50% or more of <i>plaintiffs who reside in this district</i> reside. (Check up to two boxes, or leave blank if none of these choices apply.) Indicate the location(s) in which 50% or more of <i>defendants who reside in this district</i> reside. (Check up to two boxes, or leave blank if none of these choices apply.)	A. Orange County <input checked="" type="checkbox"/> <input type="checkbox"/>	B. Riverside or San Bernardino County <input type="checkbox"/> <input type="checkbox"/>	C. Los Angeles, Ventura, Santa Barbara, or San Luis Obispo County <input type="checkbox"/> <input type="checkbox"/>
D.1. Is there at least one answer in Column A? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If "yes," your case will initially be assigned to the SOUTHERN DIVISION. Enter "Southern" in response to Question E, below, and continue from there. If "no," go to question D2 to the right. →	D.2. Is there at least one answer in Column B? <input type="checkbox"/> Yes <input type="checkbox"/> No If "yes," your case will initially be assigned to the EASTERN DIVISION. Enter "Eastern" in response to Question E, below. If "no," your case will be assigned to the WESTERN DIVISION. Enter "Western" in response to Question E, below. ↓		
QUESTION E: Initial Division? Enter the initial division determined by Question A, B, C, or D above: →	INITIAL DIVISION IN CACD Southern Division		
QUESTION F: Northern Counties? Do 50% or more of plaintiffs or defendants in this district reside in Ventura, Santa Barbara, or San Luis Obispo counties? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET**

IX(a). IDENTICAL CASES: Has this action been previously filed in this court?

☒ NO

☐ YES

If yes, list case number(s): _____

IX(b). RELATED CASES: Is this case related (as defined below) to any cases previously filed in this court?

☒ NO

☐ YES

If yes, list case number(s): _____

Civil cases are related when they:

- ☐ A. Arise from the same or closely related transactions, happening, or event;
- ☐ B. Call for determination of the same or substantially related or similar questions of law and fact; or
- ☐ C. For other reasons would entail substantial duplication of labor if heard by different judges.

Check all boxes that apply. That cases may involve the same patent, trademark, or copyright is not, in itself, sufficient to deem cases related.

**X. SIGNATURE OF ATTORNEY
(OR SELF-REPRESENTED LITIGANT):** _____

DATE: _____

7/31/14

Notice to Counsel/Parties: The submission of this Civil Cover Sheet is required by Local Rule 3-1. This Form CV-71 and the information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. For more detailed instructions, see separate instruction sheet (CV-071A).

Key to Statistical codes relating to Social Security Cases:

Nature of Suit Code	Abbreviation	Substantive Statement of Cause of Action
861	HIA	All claims for health insurance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1935FF(b))
862	BL	All claims for "Black Lung" benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1969. (30 U.S.C. 923)
863	DIWC	All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended; plus all claims filed for child's insurance benefits based on disability. (42 U.S.C. 405 (g))
863	DIWW	All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405 (g))
864	SSID	All claims for supplemental security income payments based upon disability filed under Title 16 of the Social Security Act, as amended.
865	RSI	All claims for retirement (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405 (g))

AO 440 (Rev. 06/12) Summons in a Civil Action

UNITED STATES DISTRICT COURT

for the
Central District of California

GREAT PACIFIC SECURITIES, on behalf of itself
and all other similarly situated,

Plaintiff(s)

v.

BARCLAYS PLC, BARCLAYS CAPITAL, INC., and
DOES 1-5, inclusive,

Defendant(s)

Civil Action No. **SACV14-01210 DDP (SHx)**

SUMMONS IN A CIVIL ACTION

To: *(Defendant's name and address)* SEE ATTACHMENT A

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are: MARK C. MOLUMPY (168009)
COTCHETT, PITRE & MCCARTHY, LLP
840 MALCOLM ROAD, STE. 200
BURLINGAME, CA 94010
(650) 697-6000

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

CLERK OF COURT

Date: 7-31-14

Lori Wagers

Signature of Clerk or Deputy Clerk
LORI WAGERS



ATTACHMENT A

BARCLAYS PLC

1 Churchill Place
London, E14 5HP
United Kingdom

BARCLAYS CAPITAL, INC.

200 Park Avenue
New York, NY 10166
United States

Civil Action No. _____

PROOF OF SERVICE*(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))*

This summons for *(name of individual and title, if any)* _____
 was received by me on *(date)* _____.

☐ I personally served the summons on the individual at *(place)* _____
 _____ on *(date)* _____; or

☐ I left the summons at the individual's residence or usual place of abode with *(name)* _____
 _____, a person of suitable age and discretion who resides there,
 on *(date)* _____, and mailed a copy to the individual's last known address; or

☐ I served the summons on *(name of individual)* _____, who is
 designated by law to accept service of process on behalf of *(name of organization)* _____
 _____ on *(date)* _____; or

☐ I returned the summons unexecuted because _____; or

☐ Other *(specify)*: _____

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ 0.00.

I declare under penalty of perjury that this information is true.

Date: _____

Server's signature

Printed name and title

Server's address

Additional information regarding attempted service, etc: